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JULY, 1952

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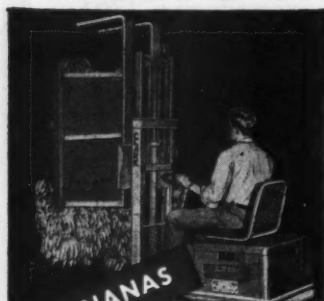


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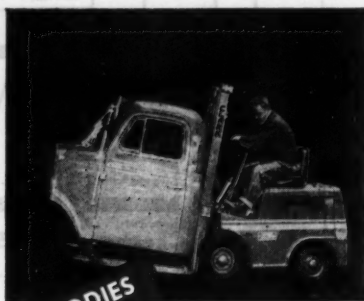
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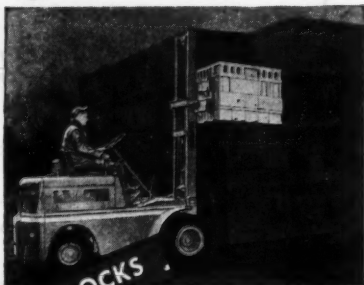
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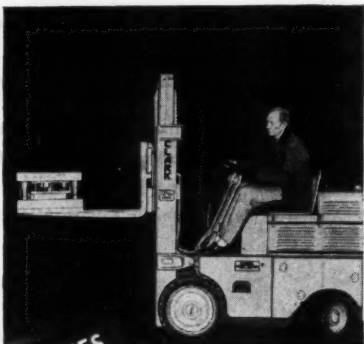
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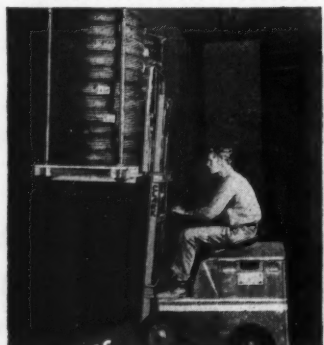
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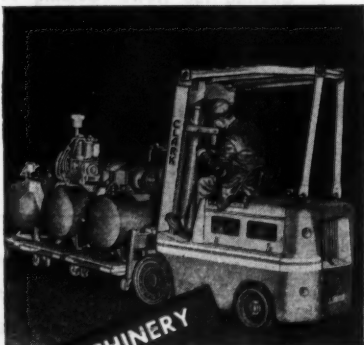
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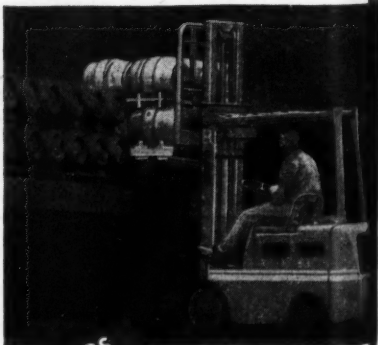
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**TIRES**



**MACHINERY**



**KEGS**



### ***We Should Live That Long!***

**T**HE growth and success of any business is dependent not only on satisfying customer service requirements but, also, on constant painstaking search and research to improve those services and anticipate future needs. These are such fundamental principles that it seems sophomoric to mention them here.

However, current LCL problems and the railroad attitude toward pickup service force us to spell out those fundamental principles in behalf of transportation executives, their industries and the ultimate consumer.

No transportation executive—in fact, no one in his right mind—will deny increased freight tariffs if the reasons are good. But, no one wants to pay the wages of indifference, inefficiency and decadent management. And that is the situation with too many of our railroads today. Whom do the railroads think they are fooling?

We've been associated with the transportation industry for too many years to pay serious attention to the river of tears running along the railroad wailing wall.

Time after time, in our younger days, we passed on, for free, suggestions for service improvement. Some of these suggestions would have resulted in sizeable man-hour and manpower reduction, but nothing ever happened.

As we grew older and wiser, we learned about the jealousies of protocol of the new idea okaying channels. We never hit the VP in charge of action; mostly, they turn out to be in charge of pencils, semi-colons or alibis.

(Somebody ought to give the Fitzgerald boys of the NCL a chance to revitalize railroads as they did transit companies. They have a knack of taking VP's and VIP's off their butts and putting them on their toes.)

Do the railroads think they're kidding industrial traffic men just because the hungriest ones obligate themselves businesswise by accepting liberal entertainment? There is an article in this issue (see page 32) that shows how the thinking members of the NITL feel about LCL problems. Don't fail to read it.

Even drinking members have told us, "Confidentially, the railroads stink, but Charlie So-and-So (the freight solicitor) is such a nice guy that I give him all the business I can justify."

If you have attended any Shippers' Advisory Board meetings within the past year you have heard LCL Committee reports. Except *perhaps* for the graduated rate scale and the "pick and choose" gripes against truckers (handled by the VP's in charge of alibis), practically every other complaint can be traced to bad management. There can be no other reason for reported poor service, interline delay and low volume (the result of poor service.)

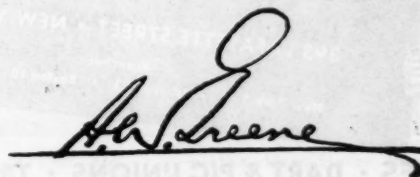
There is nothing wrong with LCL freight that modern handling methods couldn't solve. The bottlenecks are to be found at the terminals and line stations.

Now, what do rail superintendents think about LCL? We could tell you in detail, but won't publish direct quotations because VP's in charge of pink slips may vent their spleens on our many good friends in these responsible positions. However, here's an indirect quote that honestly represents their opinion: "LCL freight not only pays its way, but, properly handled, it is profitable."

Need we say more?

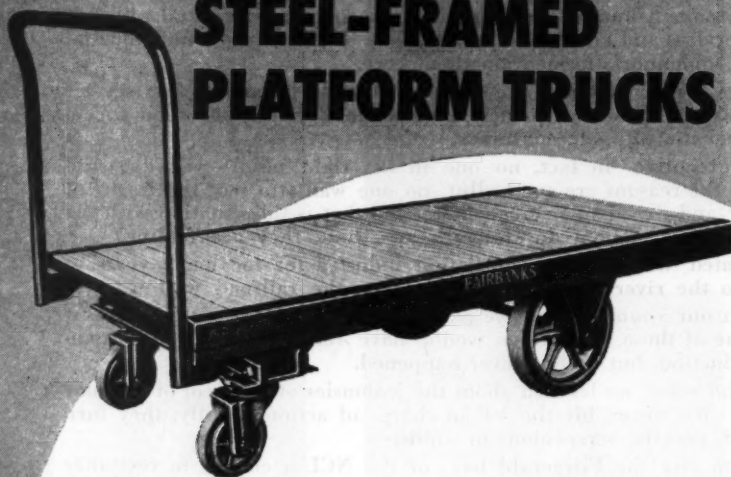
Someday, years hence, these truths will work their weary way around the VP's in charge of stinking propaganda, bankruptcies and funeral dirges to a new generation of directors appointed by courts and creditors. Some bright young executive—enticed from one of the many trucking companies accused of wrecking the nation's highways because they get all the LCL traffic—will be given the job of rebuilding railroad LCL business. A new era of prosperity will open for the railroads.

We should live that long!



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# LETTERS

TO THE EDITOR

## Standard Dimensions

### To The Editor:

Can you tell us what are considered to be the normal inside dimensions of trailer trucks used for hauls up to 500 miles?

Do the truckers have an association which is working on the standardization of truck dimensions so that standard size pallets can be loaded economically in the trucks? If so, what is their address?

Warren L. Nye, Supervisor  
Methods & Standards  
Department

Sealright Co., Inc.  
Fulton, N. Y.

Your first question depends on such factors as weight and type of load, trucking schedules and various state laws as to body width and over-all length. However, we feel that the "normal inside dimension" would be 87 in. width and 28 ft. length. In the case of your company's bulky but light shipments (food containers, paper bottles, ice cream cups, etc.), it is likely that you would consider using trailer trucks of a greater length than 28 ft.

Regarding the second question; yes, there is an association which is working on standardization of truck dimensions — The American Trucking Associations, Inc., 1424 16 St. N. W., Washington 6, D. C. Write to Roy Stevens, Equipment Advisory Committee (c/o ATA).—Ed.

## Warehouseman's Liability

### To The Editor:

We have developed what seems to be a rather interesting case involving warehouseman's liability. A warehouseman has a contract under which liability is limited to \$50. It was decided to repair a candelabra which was broken during delivery. After it was taken out of storage for repairs, it was damaged more seriously. In taking the item out of storage for repairs, was it removed from the jurisdiction of the limitation clause in the contract?

G. A. Aspinwall  
President

Security Storage Co.  
Washington 5, D. C.

It is my opinion that when you took the article out of storage for repairs, you removed it from the \$50 limitation, but you still acted as a bailee under which circumstances you would not be liable unless the destruction or further damage to the article was caused by your negligence.

Of course, a clause in your storage contract may be construed to allow the article to remain with the \$50 limitation clause.—Leo T. Parker, Legal Consultant.

# Chuting the NEWS

## ICC Suspends Eastern Rail Proposal To Cancel Free Pick-Up and Delivery

The proposal by Eastern railroads to cancel free pick-up and delivery has been shelved at least temporarily by an ICC Directive suspending for seven months Tariff 102-H, A-933.

The railroad proposition was protested by the Local Cartage National Conference, a committee of the National Industrial Traffic League and other interested groups and individuals representing the nation's smaller shippers.

Opponents of the cancellation measure claimed it would spell the death of LCL traffic. Many of those in opposition offered corrective plans aimed at putting unprofitable LCL business on a paying basis for the railroads. (See M. J. Barron's article, Page 32.)

### NARW Statement

A resolution announcing that public refrigerated and merchandise warehouses are not involved in the current scandals concerning grain storages was adopted by the entire membership of the AWA at its recent annual meeting.

A. B. Efroymsen, newly elected president of the NARW, pointed out that the public warehousing industry's record is one of exceptionally good character and that the industry has always "policed itself from within," by insisting on ethical business conduct.

## DTA Announces \$458 Million Total For Third Quarter Construction

DTA, in mid-June announced dollar totals for surface transportation, warehousing and storage, and port utilization facilities approved for third quarter construction.

Approved by DTA for the United States and its Territories and Possessions has been \$458,227,447 for proposed new construction projects. Approval by DTA authorizes the allotment of controlled materials. It involves rail, highway and water transport, warehousing and port utilization.

Ranging from \$1100 to \$44,777,-500, 423 projects were approved by DTA for the third quarter of 1952. New York, Pennsylvania and Louisiana topped the states in dollar value of projects approved.

## SAVERS



Most warehouse superintendents store slow-moving items high up in the racks, where they won't be in the way of more frequently used stock. This makes handling sense, but it can also create a problem—How do you get at the slow-movers when you need them? Harry Ferguson, Detroit, solved that one with a remote controlled fork truck that allows the truck operator to raise himself up to hard-to-reach stock while standing on a pallet on the truck's forks.

### Packaging, MH Show

Themes for the eight meetings that will comprise the annual short course of the Society of Industrial Packaging and Materials Handling Engineers, in Chicago, Oct. 13-16, have been announced by Stanley Price, Society president, and Robert C. Cragg, general manager.

Scheduled talks will be patterned after the theme of the 1952 show, "Packaging and Materials Handling Cost Reduction as a Basic Factor in Maintaining Industrial and Business Profits."

(Please Turn Page)

## Coming Events

June 29-July 2—Material Handling Institute, mid-year meeting, Grand Hotel, Mackinac Island, Mich. All materials handling industries invited to attend.  
Aug. 3-5—Movers Conference, 1952 Assembly, Chicago, Ill.  
Aug. 12-14—Fourth Western Packaging and Materials Handling Exposition, Shrine Convention Hall, Los Angeles, Calif.

Sept. 9-11—Association of American Railroads, Treasury Division, Swampscott, Mass.  
Sept. 18—Material Handling Institute, meeting, Cleveland Hotel, Cleveland, Ohio.  
Sept. 20-24—National Freight Traffic Association, fall meeting, Lake Placid, N. Y.  
Oct. 7-9—National Association of Shippers Advisory Boards, meeting, St. Louis, Mo.

Oct. 14-16—Society of Industrial Packaging and Materials Handling Engineers, seventh annual exposition, Chicago Coliseum, Chicago, Ill.  
Nov. 20-21—National Industrial Traffic League, New York, N. Y. (Executive Committee, Nov. 18-19).  
Dec. 18—Materials Handling Institute, meeting, Hotel Statler, New York, N. Y.



## Chuting the NEWS

(Continued from Preceding Page)



Bonafide "Indians" were only one of the frontier features at the show and rodeo

## Connecticut Valley MHS Conducts Last Frontier Fork Truck Rodeo

A "Last Frontier Fork Truck Rodeo," the first of its kind and the likely forerunner of similar events, took place June 10 in the New Haven, Conn., Arena under the sponsorship of the Connecticut Valley Materials Handling Society.

The rodeo consisted of exhibits by a number of fork truck manufacturers and their dealers and competitive fork truck driving held in a Wild West atmosphere. The drivers were required to execute a marked course; weaving in and out of barriers, loading a simulated box car and placing and removing loads in piles and racks. They were timed and judged by members of the materials handling society.

The drivers represented some of the larger fork truck manufacturers in the Connecticut Valley area, and were selected by elimination contests held in their local plants.

Prizes for the contests were di-

vided as to Gas and Electric trucks, with the winner in each division getting a \$50 personal award, a personal trophy and a trophy for the company he represented. Second and third prizes also were made. Eighty drivers competed. The winners were:

**GAS** — (1) Robert Merritt, Bridgeport, Conn., Storage Warehouse, driving a Towmotor; (2) Adolph Bethke, High Standard Mfg. Co., Hamden, Conn., driving a Clark; (3) Cassmir Lazarz, Monsanto Chemical Co., Springfield, Mass., driving a Clark.

**ELECTRIC** — (1) Wilfred Richotte, Veeder Root Co., Hartford, Conn., driving an Automatic; (2) Kenneth Cross, Mullite Refractories, Shelton, Conn., driving a Clark; (3) Stanley Trocki, American Paper Goods Co., Kensington, Conn., driving an Automatic.

**Hourly wage rate increases in the nation's trucking industry averaged 10.5 cents, during 1951, according to an analysis by the ATA.**

## Western Exposition

One hundred thirty-two of the nation's leading firms in the packaging and materials handling industries have contracted for exhibit space in the Fourth Western Packaging and Materials Handling Exposition. Prior to its opening, which is scheduled in the Shrine Convention Hall, Los Angeles, Aug. 12-14, it is expected that the exhibitor list will near the 200 mark, making this by far the largest Packaging and Materials Handling Exposition ever held in the West. The University of Southern California's Industrial Engineering Department will hold, concurrently, a Packaging and Materials Handling Institute in close cooperation with the Exposition.

—DA—

## Packaging Forum

Seminars on 10 important packaging topics will highlight the 14th Annual Forum on Packaging Institute, Oct. 20-22, in New York, according to Program Committee Chairman, R. Chester Reed.

The biggest seminar will be the two half-day sessions on Production, one covering Maintenance, the other Packaging Gadgets and the Training of Employees.

—DA—

## TTMA Summer Meeting

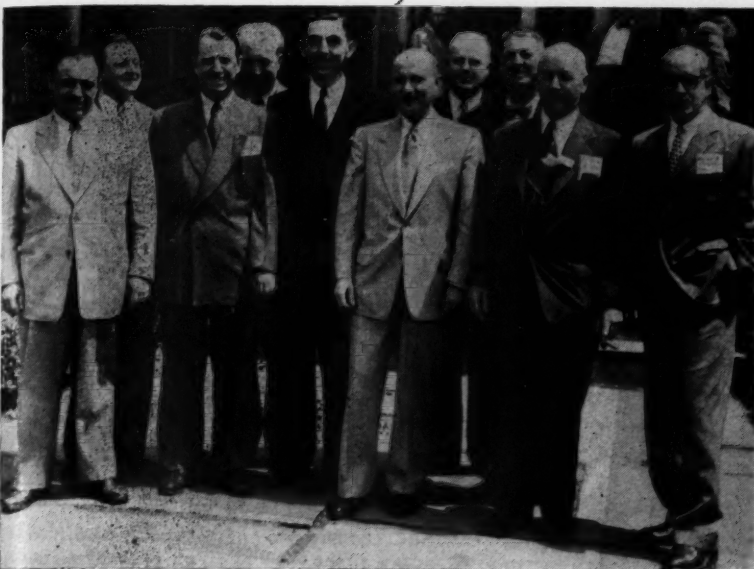
President W. E. Grace will preside at the fourth annual Summer Meeting of the Truck-Trailer Manufacturers' Association at Chicago's Edgewater Beach Hotel, July 18-19. Courtney Johnson, former motor Vehicle Division director of NPA, and E. J. Lucas, chief of the NPA Truck-Trailer Branch, will be featured speakers.

—DA—

## Giant Helicopter Tested

The world's largest helicopter, now undergoing a series of ground tests at Culver City, Calif., will straddle its cargo in the manner of a lumber lift, picking up loads by using attachments on the landing gear and body. The helicopter is designed for short-range movement of heavy military equipment, including artillery, tanks, bridge sections and trucks.

Matthew W. Potts, DA's Materials Handling Consultant, supplied the slogan, "Last Frontier for Cost Reduction," for the Fork Truck Rodeo. In Feb., 1940, Mr. Potts wrote an article entitled "Last Frontier" for DISTRIBUTION AND WAREHOUSING, the predecessor to DISTRIBUTION AGE, in which he pointed out the growing need for mechanized materials handling equipment. Mr. Potts is recognized as one of the pioneers in authoring materials handling articles.



Pictured above are the moderators and session chairman of the Second Annual Material Handling Forum, held at Stevens Institute of Technology, Hoboken, N. J., May 21. Left to right, front row: Professor Adam Abruzzi, Stevens; Ritson H. Graves, U. S. Metals Refining; Dr. Jess H. Davis, President, Stevens; Adrian Van Riper, Congoleum-Nairn Co. and President, New Jersey Chapter of the AMHS; Professor Sam Williamson, Stevens; William C. Conover, Jr., Johnson & Johnson. Left to right, back row: John Bayuk, Jenkins Bros. and President, Connecticut Valley MHS; Professor F. J. Gaudet, Stevens; A. K. Strong, American Cyanamid; and Professor Joel R. Crouch, Stevens.

## Will You Be There?

NARW's Cold Facts makes a riddle of the 1953 AWA convention site, to promote interest. Quote Cold Facts, "An Eastern city has been selected—It's a busy, glamorous metropolitan place—The convention has met there eight times before, last time in 1925."

—DA—

## Emergency Measure

DTA Administrator James K. Knudson has announced the agency plans to study the movement of fresh vegetables by truck so the Government will know where it stands in case railroads are not available in wartime. Study will be completed August 1.

—DA—

## H. H. Young Named

H. H. Young, Philadelphia, freight claim agent of the PRR, was installed last month as chairman of the Freight Claim Division of the Association of American Railroads during the final session of the Division's 61st Annual Meeting in New York.

## Plan Next Year's Show

With the fifth National Materials Handling Exposition scheduled for Philadelphia's Convention Hall, May 18-22, 1953, representatives of more than 200 prospective exhibitors met in Philadelphia last month to make plans for the show. Highlight of the meeting was the drawing, by lot, for booth space in the 1953 event.

—DA—

About 70 per cent of the \$100 million paid annually by Class I railroads to shippers in settlement of loss and damage claims has been traced to higher speed operations of railroads which seek to get a higher utilization of their equipment.

—DA—

## General Cost Survey

The Household Goods Carrier's Bureau is conducting a general cost survey covering all phases of the moving industry among its members. The first section of the survey, an 18-question labor cost quiz, has been mailed to members.

# MEN

## IN THE NEWS

### Materials Handling

**Kenneth P. Denisty**—named product manager, Caster and Truck Division, Rapids-Standard Co., Inc., Grand Rapids, Mich.

**James A. McGlone**—appointed Chicago area manager of direct sales for trambeam overhead handling systems and E-type cranes, Whiting Corp.

**Gould-National Batteries, Inc.**, has made the following promotions and appointments; **Frank Keenan**—manager of headquarters sales staff; **Stanley J. Mahurin**—San Francisco district manager; **F. A. Miller**—coordinator of sales at Trenton headquarters; **Malcolm Janis**—New York regional manager; and **John P. Kelly**—manager of Detroit regional office.

**Hyster Co.** has made the following promotions and appointments; **Robert Lange**—head of Washington, D. C., office; **Peter Lewis**—motor freight sales representative; and **William Sempert**—company export representative, has embarked on a business trip to French Equatorial Africa, Belgian Congo and Angola.

**R. C. Cragg**, Chicago Regional manager, Gould-National Batteries, is general chairman of the Seventh Annual Packaging and MH Exposition.



**Leo M. Brown**—new assistant sales manager, St. Paul Hydraulic Hoist, Minneapolis, Minn. **John E. Carroll**—elected to Board of Directors.

**James E. Edelbrock**—now manager of the Chicago Factory Branch, Gar Wood Industries, Inc.

**Fred L. Etchen**—appointed MH sales engineer, Pittsburgh Steel Products Co., Detroit, Mich.

### Packing and Packaging

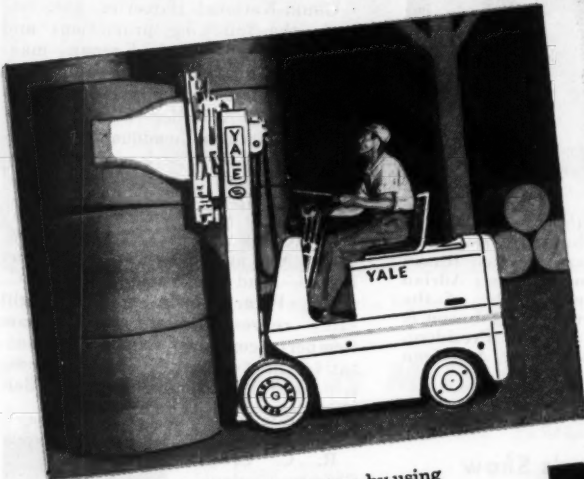
**Carlton F. Diskin**—named special assistant to the president, National Container Corp., New York, N. Y.



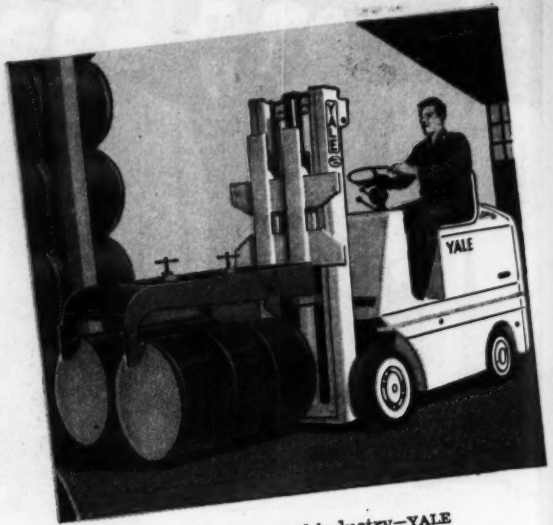
**Edmund T. Flanagan** has been elected to the position of vice president in charge of sales by Fairbanks Co., New York, N. Y.

(Please Turn to Page 40)

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**SAVINGS** to the paper industry—by using YALE Gas Trucks to handle bulky paper rolls, users are able to free more of their manpower for productive assignments.



**SAVINGS** to the chemical industry—YALE Gas Trucks move drums and carboys gently, smoothly, safely. They speed handling, reduce breakage, prevent accidents.



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# Washington

By Karl Rannells, *Washington News Bureau*

# DA

## Government Inventory

The government is making another try at doing a long-needed job—finding out just what it has in the way of capital equipment including

handling machinery and machine tools. It has been tried before but it never worked out. Now the Office of Defense Mobilization has ordered the National Production Authority to take over, telling the Defense Department and other agencies to cooperate.

The NPA is to inventory everything in 25 categories, including several types of materials handling equipment, which it has in storage or holds title to, regardless of whether it is usable or not. The inventory must give name and commercial description, manufacturer and serial number, condition, and location.

## Waterways Expansion

The inland waterways system is becoming increasingly important again. Studies by the government indicate that the freighting vessels

and cargo handling equipment are falling far short of meeting stepped up requirements of the mobilization program. Somewhere between 2,000 and 3,000 cargo vessels, including scows and barges, tow and tug boats, lighters and tankers, should be added over a two-year period. Also needed are additional derricks, cranes and other special cargo handling equipment.

## Barges & Lighters

In another procurement deal, Navy also awarded contracts for construction of 66 special vessels, mostly for Army's Transportation Corps and the

Air Force. Included were forty-eight 110-ft steel cargo barges, eight 235-ft steel gasoline barges, six 110-ft lighters, and four 120-ft refrigerated barges. The contracts totaled nearly \$5,000,000.

## Defense Contracts

Pointing up the shifting distribution pattern under the current mobilization program are two recent progress reports. These emphasize strongly that

the bulk of defense products is pouring from the many smaller factories rather than from the lesser number of large ones owned by so-called big business.

During the last six months of 1951, a Defense Department report said, more than 75 per cent of all Engineer Corps procurement contracts went to the smaller producers. These were more than 42,000 in number and totaled more than \$300,000,000 in value. And as a result of an NPA-Munitions Board effort early this year, something like \$16,000,000 in contracts went to 106 smaller contractors in one 30-day period. These figures do not include any subcontracts for parts and components ordered by big contractors.

## Underground Oil Storage

On being asked for an opinion, the National Petroleum Council recently submitted facts and figures to the Interior Department showing

that underground storage of oil is not only feasible but practical. Projects of this type are already in operation and others are being readied. Somewhat technical in nature, the full report lists various facilities—such as abandoned mines, natural caverns, etc.—in their general order of desirability and at the same time points up disadvantages of each which have to be overcome in one way or another.

## Great Lakes Directory

A complete description of American-owned facilities for cargo and other transport on the Great Lakes may now be obtained for 45 cents

per copy from the Government Printing Office in Washington. Compiled by the Army's Board of Engineers, it lists all vessels of American registry, type of freight carried, cargo capacity, cargo handling equipment, and routes. It also lists the owners of the 391 lines and their addresses.

## Floating Equipment

In one of the biggest buying actions of its kind, last month the Navy asked sealed bids for supplying the armed services with 24 big cranes, mounted

on barges, and delivered to specified ports for towing to overseas points. General requirements called for revolving truss-boom cranes with diesel power plant, capable of lifting 60 tons, and mounted on 124-ft all-steel barges. Bids were to be opened June 24. Cost was estimated at about \$10,000,000.

## Canvas Duck Plentiful

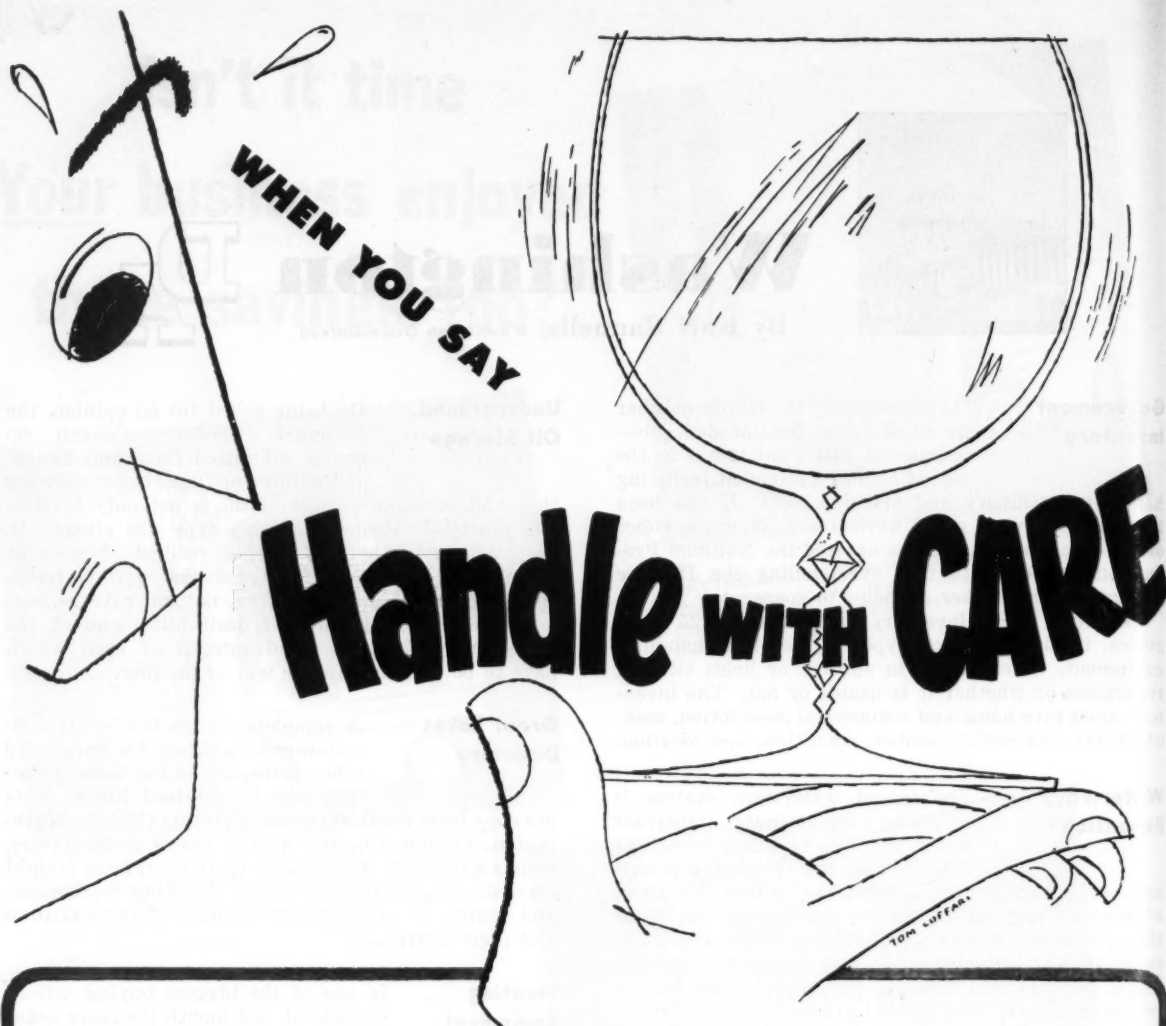
Shortages of heavy duck fabrics for the manufacture of conveyor belts, canvas tarps, pick and tote sacks and so on are now apparently

a thing of the past. Production of these type of fabrics are now at peaks exceeded only by World War II output. Control agencies recently revoked Order M-53 which restricted the amounts of such materials which could be shipped for non-defense uses.

## Commercial Warehousing

Government studies have indicated that considerable additional warehousing space must be constructed in order to avoid the threat of possible regional shortages. Latest surveys have indicated that as of last fall between 80 and 85 per cent of commercial warehousing space was in use. While there was a temporary slack during the winter months,

(Please Turn to Page 64)



## ...Lehigh Warehouse **DOES!**

Physical damage claims for Lehigh Warehouse last year were only \$1,576.23, on a volume of 762,500 tons handled in and out. Value of the merchandise customers stored with Lehigh was approximately \$275,000,000.00, including liquors, food products, drugs, paper, chemicals, tobacco, glassware, plastics, appliances and machinery.

This record of *under one thousandth of 1%*

in damages was due to these factors: First, mechanized materials handling. Second, experienced manpower. Third, and highly important, the Lehigh technique of warehousing... supervision for safety in unloading, stacking, palleting and trucking and in every handling operation.

Whether you store and distribute bottled goods or iron pipe, when you say "Handle With Care"... Lehigh Warehouse *does!*

Ask for details of Lehigh warehousing and distribution services.

**Lehigh Warehouse & Transportation Company**  
98 Frelinghuysen Avenue, Newark, N. J.

Newark • Port Newark • Brooklyn • Jersey City • Elizabeth • Richmond, Va. • Horseheads, N. Y.



Circle No. 109 on Readers' Service Card for more information

By Warren R. Ross  
Traffic Manager  
Prentiss Drug & Chemical Co.

## Handling Import Freight

Full understanding of complex customs procedures and regulations can help expedite highly technical import trade

**H**ANDLING and expediting import freight is a phase of traffic work that is a specialty in itself. Only through the constant handling of such shipments, and keeping oneself posted as to latest regulations, can this phase of traffic be mastered.

Import Freight may be divided into two main categories: Dutiable and free merchandise.

Dutiable merchandise may be handled in several different ways:

**DUTY PAID**—The DP entry requires a duty-paid permit, which is presented to Customs authorities at the import pier. Merchandise may be handled by the importer as free merchandise from this point on.

However, the Customs Department will inspect the shipment before it will release it to the importer; to be certain it is as declared in the importer's custom entry and not actually another type of merchandise that may carry a higher rate of duty.

If the merchandise is packed in such a manner so as to make wharf examination impractical, such as tin-lined cases, then the Customs Inspector will order a case or two of the shipment into the Appraiser's Stores; where they may be

opened properly and recovered without damage to the contents. When this examination is completed, the case is released and a delivery order is sent to the importer through his customs broker, so he may pick up his case at the Appraiser's Stores.

**IMMEDIATE EXPORT**—The IE entry can be made if the merchandise is destined to a consumer in a foreign country.

In an entry of this kind, there will be no payment of duty, and the customs will not draw a sample nor

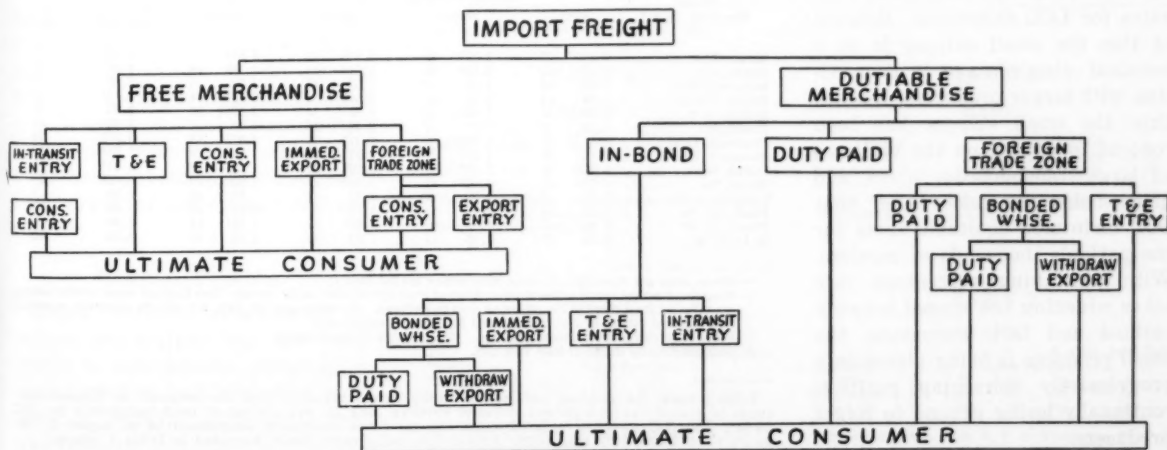
send a case to the Appraiser's Stores.

The benefit is two-fold: (1) The importer is not assessed any duty; and (2) the shipment goes forward completely intact to the consignee.

To pass this type entry, it is necessary to furnish the customs broker with the following information to enable him to prepare his entry properly:

**Import Marks**—Marks already on packages.

**Export Marks**—Marks to be (Please Turn to Page 46)





## Up Goes the Spread . . .

# Spiralling Freight Rates

IN April of this year ICC gave the nation's railroads the remainder of a 15 per cent rate increase, the twelfth such increase since VJ Day. In October, 1951, Railway Express was granted an estimated 10.65 per cent rate hike, which was supplemented in February by a 6-cent per shipment surcharge. Earlier, Congress had reduced weight limits on most parcel post packages and increased parcel post rates.

These increases, plus higher rates in other forms of transportation, and an OPS order prohibiting inclusion of rising freight costs in the price of many commodities, has aroused new shipper interest in transportation.

Formulated to foster equality among competing interests by providing that rates must be reasonable and must not be prejudicial or discriminatory, the Interstate Commerce Act cannot, however, obviate the basic economic law that quantity begets economy.

### Carload vs. LCL

Rates for large or carload shipments have always been lower than rates for LCL shipments. Because of this the small shipper is at a constant disadvantage in competition with larger producers. Despite this, the small shipper has been content to depend on the vigilance of large transportation users, and often holds the false belief that ICC maintains equitable rates for the nation's thousands of carriers. With continuing percentage rate hikes widening the spread between carload and LCL shipments, the small producer is being placed in a progressively worsening position, continually losing ground to larger producers.

LCL and LTL users forced to seek economies in traffic, packaging and materials handling to offset higher rates and widening 'spread'

TABLE I

FROM New York N. Y. TO	Pick-Up or Delivery Charge <sup>1</sup>	CLASSIFICATION CLASSES (Ratings) <sup>2</sup> RATES <sup>3</sup> including Pick-Up and Delivery (in \$ and cents per Cwt.)					Exp. Scale
		First (100)	Second (85)	Third (70)	Fourth (50) <sup>2</sup>		
Akron, Ohio.....	.20	3.34	41 2.91	32 2.50	31 1.93	31 1.68	16
Atlanta, Ga.....	—	4.00	42 3.45	33 2.90	25 2.16	20 2.22	22
Baltimore, Md.....	.30	2.38	64 2.12	64 1.85	64 1.51	64 1.25	8
Boston, Mass.....	.31	2.56	57 2.27	57 1.99	57 1.60	57 1.35	9
Buffalo, N. Y.....	.24	2.93	41 2.57	39 2.22	39 1.74	39 1.49	12
Chicago, Ill.....	.35	4.41	48 3.84	39 3.29	31 2.54	26 2.22	22
Cincinnati, Ohio.....	.21	3.87	45 3.37	36 2.86	27 2.20	27 1.91	19
Cleveland, Ohio.....	.24	3.44	43 3.01	34 2.57	31 2.00	31 1.75	16
Dallas, Texas.....	—	5.78	43 4.97	35 4.15	27 3.06	17 3.38	38
Denver, Colo.....	—	6.36	44 5.45	36 4.55	28 3.35	17 4.43	43
Detroit, Mich.....	.29	3.66	41 3.20	33 2.75	28 2.14	28 1.91	19
Houston, Texas.....	—	5.84	43 5.01	35 4.18	27 3.08	17 3.39	39
Miami, Fla.....	.30	5.09	44 4.38	36 3.67	27 2.71	16 3.17	31
Philadelphia, Pa.....	.30	1.93	75 1.74	75 1.54	75 1.28	75 1.07	7
Pittsburgh, Pa.....	.30	3.10	45 2.74	41 2.36	41 1.86	41 1.61	12
Providence, R. I.....	.17	2.28	59 2.02	59 1.74	59 1.39	59 1.19	8
St. Louis, Mo.....	.24	4.64	47 4.03	38 3.42	29 2.61	22 2.25	25

<sup>1</sup>—After May 30, 1952, Rail ratings were changed to indicate their percentage relation to First Class (100 per cent). These percentages are shown in parentheses, but due to the addition of a 15 per cent across-the-board increase and the addition of Pick-Up and/or Delivery charges the true percentages are not maintained.

<sup>2</sup>—Fourth Class in Eastern Territory is 50 per cent of First Class; in the South and West, 55 per cent of First.

<sup>3</sup>—Rates shown include a 15 per cent increase of charges but have been included in the rates for convenience of comparison.

<sup>4</sup>—Charges shown are per 100 lbs (min. is chgs. for 100 lbs). Effective June 23, 1952, unless suspended by I. C. C.

<sup>5</sup>—Pick-Up or Delivery in New York City is 32 cents per 100 lbs (min 32 cents). Effective June 23, 1952, unless suspended by I. C. C.

TABLE 2

FROM New York N. Y.* TO	First	CLASSIFICATION CLASSES (Ratings) RATES, including Pick-Up and Delivery (in \$ and cents per Cwt.)				Min. Chgs. Per Sht.	Exp. Scale
		Second	Third	Fourth			
Akron, Ohio.....	2.64 <sup>2</sup> 27	2.27 <sup>2</sup> 27	1.91 <sup>2</sup> 27	1.54 <sup>2</sup> 27	2.64 <sup>2</sup>	2.64 <sup>2</sup>	16
Atlanta, Ga.....	3.75 <sup>2</sup> 46	3.23 <sup>2</sup> 46	2.70 <sup>2</sup> 46	2.18 <sup>2</sup> 46	4.25 <sup>2</sup>	4.25 <sup>2</sup>	22
Baltimore, Md.....	1.80 48	1.58 48	1.37 48	1.08 48	2.50	2.50	8
Boston, Mass.....	3.09 <sup>1</sup> 64	2.08 <sup>1</sup> 64	1.84 <sup>1</sup> 64	1.35 <sup>1</sup> 64	3.15 <sup>1</sup>	3.15 <sup>1</sup>	9
Buffalo, N. Y.....	2.19 <sup>1/2</sup> 30	1.89 <sup>1/2</sup> 30	1.59 <sup>1/2</sup> 30	1.17 <sup>1/2</sup> 30	2.50	2.50	12
Chicago, Ill.....	3.39 32	2.91 32	2.43 32	2.12 32	3.39	3.39	22
Cincinnati, Ohio.....	3.17 <sup>2</sup> 33	2.74 <sup>2</sup> 33	2.31 <sup>2</sup> 33	2.02 <sup>2</sup> 33	3.17 <sup>2</sup>	3.17 <sup>2</sup>	19
Cleveland, Ohio.....	2.74 <sup>2</sup> 29	2.37 <sup>2</sup> 29	2.01 <sup>2</sup> 29	1.64 <sup>2</sup> 29	2.74 <sup>2</sup>	2.74 <sup>2</sup>	16
Detroit, Mich.....	3.04 <sup>2</sup> 30	2.62 <sup>2</sup> 30	2.22 <sup>2</sup> 30	1.92 <sup>2</sup> 30	3.04 <sup>2</sup>	3.04 <sup>2</sup>	19
Miami, Fla.....	4.90 <sup>2</sup> 47	4.20 <sup>2</sup> 47	3.50 <sup>2</sup> 47	2.80 <sup>2</sup> 47	5.40 <sup>2</sup>	5.40 <sup>2</sup>	31
Philadelphia, Pa.....	1.45 42	1.29 42	1.12 42	.83 42	2.20	2.20	7
Pittsburgh, Pa.....	2.30 34	2.01 34	1.72 34	1.33 34	2.65	2.65	12
Providence, R. I.....	2.91 <sup>1</sup> 65	1.96 <sup>1</sup> 65	1.55 <sup>1</sup> 65	1.28 <sup>1</sup> 65	2.95 <sup>1</sup>	2.95 <sup>1</sup>	8
St. Louis, Mo.....	3.70 33	3.18 33	2.65 33	2.30 33	3.70	3.70	25

\*—Where rates are dependent on zones, rates shown are for Zone 1.

†—Resulting from the use of a classification different from that of other motor carriers. New England motor carrier ratings are different from those of the others as well as Railroad. We have used 1st, 2nd, 3rd and 4th classes to represent New England ratings of 2nd, 3rd, 4th and 5th classes respectively.

1—Includes surcharge or minimum surcharge. (N. Y. Weight-Distance Law).

2—Includes Pick-Up charge at New York City.

Editor's Note: DA received notification shortly before presstime that the proposal by Eastern railroads to cancel free pick-up and delivery, effective June 23, was shelved at least temporarily by ICC Order. The ICC directive ordered suspension for seven months of Supplement 16 to Agent C. W. Boon's Tariff 102-H, ICC No. A-933. Appropriate adjustments should be noted in Table 1 above.

# Focus on Small Shipper

By Stanley Hoffman  
Traffic Consultant  
Registered Practitioner, ICC  
AATNY Graduate

## Double Spread

In 1946, for example, an automobile seat cover manufacturer, shipping by rail from New York to Chicago in lots of 5000 lbs, paid \$1.84 per 100 lbs, while a competitor making similar shipments of 20,000 lbs paid \$1.29 per 100 lbs—a difference of 55 cents per hundredweight. Today, as a result of rate increases aggregating over 100 per cent, the difference is \$1.12 per hundredweight. The unit cost has more than doubled in six years.

Likewise, on truck shipments of lamp fixtures from New York to Washington in 1950, the rate spread between shipments less than 2000 lbs and 16,000 lbs was 65 cents per hundred lbs, while the present spread is 82 cents. For the same shipment from New York to Pawtucket, R. I., the spread has jumped from 57 cents to \$1.10. Even greater differences would appear where carload or truckload rates are "exceptional" or "commodity" rates—and where small shipments have been subjected to minimums, surcharges, or pick-up and delivery charges.

## Complex Problem

Small business endeavoring to reduce its freight bill has been forced to seek greater efficiency in transportation and shipping policies. A regular shipping clerk, traditionally entrusted with these

duties, is no longer capable of dealing with the complexities of freight tariffs, rate structures, routes, classifications, claims, packaging, and materials handling. Traffic specialists have been able to remedy many of the faulty shipping practices which waste thousands of industrial dollars annually. While it is impossible to explain all corrective possibilities here, various methods advanced by the experts and some common errors of small shippers are treated.

TABLE 3

FORWARDER PACKAGE SCALES FROM NEW YORK, N. Y. TO (and Comparative Express Charges)															
Camden, Ark.		Denver, Colo.		Wichita, Kan.		Minneapolis, Minn.		Stillwater, Okla.		Dallas, Tex.		Casper, Wyo.		Los Angeles, Calif.	
Weight	Pkg. Rate	Exp. Rate	Pkg. Rate	Exp. Rate	Pkg. Rate	Exp. Rate	Pkg. Rate	Exp. Rate	Pkg. Rate	Exp. Rate	Pkg. Rate	Exp. Rate	Pkg. Rate	Exp. Rate	Pkg. Rate
25	3.56	2.78	4.17	2.96	3.68	2.79	3.44	2.46	3.68	2.54	3.86	3.08	4.29	3.27	5.33
30	4.01	3.09	4.74	3.32	4.16	3.11	3.87	2.75	4.16	3.15	4.38	3.44	4.88	3.86	6.14
35	4.46	3.42	5.31	3.68	4.63	3.44	4.30	3.02	4.63	3.48	4.89	3.82	5.48	4.05	6.94
40	4.91	3.71	5.88	4.02	5.11	3.74	4.73	3.24	5.11	3.81	5.40	4.16	6.08	4.42	7.74
45	5.37	4.00	6.45	4.36	5.59	4.03	5.16	3.51	5.59	4.11	5.92	4.52	6.67	4.81	8.56
50	5.83	4.29	7.04	4.69	6.07	4.31	5.59	3.74	6.07	4.40	6.43	4.85	7.28	5.16	9.36
55	6.28	4.58	7.61	4.99	6.54	4.59	6.00	3.89	6.54	4.72	6.94	5.18	7.87	5.53	10.16
60	6.73	4.83	8.18	5.31	7.02	4.86	6.43	4.07	7.02	4.99	7.46	5.50	8.47	5.87	10.98

## Rate Explanation

**Classification:** Much carload traffic moves on "commodity" rates, published in carrier tariffs as rates on named articles from and to specific points. Express, parcel post and small air shipments travel, for the most part, on "general" rates applying to all commodities. A large majority of LCL and LTL shipments, however, are charged at "class rates." These apply on all commodities which have been assigned to the same classification

TABLE 4

WEIGHT				
0-999	900-5,299	5,300-10,699	10,700-19,999	20,000-and Over
1.56	1.28	1.04	.87	.64

Fourth Class Rates (in dollars and cents per Cwt.)  
New York, N. Y. to Woonsocket R. I.  
Minimum Charge = \$3.00.

TABLE 5

CLASSES				
Weight	1	2	3	4
1-4 999	3.39	2.91	2.43	2.12
5 000 & Over (L.C.L.)	3.19	2.71	2.23	1.92

Class Rates, New York, N. Y. to Chicago Illinois.  
Minimum Charge = \$3.39.

TABLE 6

CLASSES				
Weight	1	2	3	4
1-2 000	2.70	2.35	2.00	1.76
2 000-6 000	2.47	2.12	1.77	1.53
Over 6 000	2.34	1.99	1.64	1.40

Class Rates, New York, N. Y. to Huntington W. Va.  
Minimum Charge = \$2.85.

TABLE 7

CLASSES				
Weight	1	2	3	4
1-2 000	1.53	1.35	1.18	.99
2 000-6 000	1.30	1.12	.95	.71
Over 6 000	1.17	.99	.82	.59

Class Rates, New York, N. Y. to Wilmington, Del.  
Minimum Charge = \$2.30.

## ...Small Shipper

Continued from Preceding Page

rating, such as first class, second class, etc. An article with a first class rating, then, will be charged first class rate, this in turn, being partially dependent on distance traveled. The first class rate from Newark, N. J., to Chicago will be lower than the first class rate from Newark to Ogden, Utah. Each class bears a relation to first class. A second class rate, for example, usually being 85 per cent of the first class rate to and from the same points.

### Classification Listings

In order to provide class ratings for each of thousands of articles, railroads and motor carriers issue a classification, listing each article and its rate. Classifications, in hundreds of pages, list a variety of articles, from dog biscuits to abalone shells, and from rabbit hair to guitar zithers. In addition, there are the catch-all items, such as "aluminum articles, NOIBN" (not otherwise indicated by name).

It is a matter of utmost importance that the carrier be properly advised as to correct classification description if he is to assign the correct rating and applicable rates. It is an almost common occurrence to find bills of lading for articles in transit described merely as "merchandise." It is equally as common for carriers to charge the highest available rates for shipments so described.

### Rate Differentials

When stating the article shipped, it is necessary to use terminology conforming with that of the classification. Even persons in the industry are sometimes unaware of the freight differences between such things as carpets and rugs. Yet ratings for carpets range from 3rd class, or 70 per cent of first class (for woolen carpets) to three times the first class rate (for carpet cushions), while rugs range from first to three times first class.

TABLE 8

C O L U M N

Movement		1	2	3	4	5	6	7	8	9	10	11
N. Y. to Boston.....	R	4.00	7	4.78	4.78	4.78	2.45	1.05	8.45	89	4.18	
N. Y. to Chicago.....	R	5.50	11	9.24	6.85	6.85	2.75	1.25	8.25	29	7.89	
	C	4.00	10	8.15	7.00	7.00	2.75	1.25	6.75	22	7.89	
Chicago to N. Y.....	R	5.50	11	9.24	6.85	6.85	2.75	1.25	8.25	29	7.89	
	C	4.00	10	8.15	6.85	6.85	2.75	1.25	6.75	22	7.89	
N. Y. to Detroit.....	R	4.50	9	6.42	5.90	5.90	2.80	1.25	7.30	36	6.96	
	C	4.00	7	5.95	5.90	5.90	2.70	1.20	6.70	32	6.96	
N. Y. to San Francisco..	R	16.00	32	30.03	22.70	22.70	2.45	1.20	18.45	21	17.78	
	C	4.00	30	25.80	22.70	22.70	2.55	1.30	6.55	6	17.78	
San Francisco to N. Y...	R	16.00	32	30.03	22.70	22.70	2.45	1.20	18.45	21	17.78	
	C	4.00	30	25.80	22.70	22.70	2.55	1.30	6.55	6	17.78	
N. Y. to Akron.....	R	4.00	8	5.84	5.84	5.84	2.85	1.05	6.85	40	6.23	
	C	4.00	7	5.75	5.75	5.75	2.65	1.15	6.85	40	6.23	
N. Y. to Pittsburgh.....	R	4.00	7	4.86	4.86	4.86	2.60	1.10	6.80	58	5.27	
N. Y. to Providence.....	R	4.00	7	4.78	4.78	4.78	2.45	1.05	6.45	89	3.81	
N. Y. to Dallas.....	R	9.00	18	16.93	14.03	16.93	2.35	1.05	11.35	21	11.56	
	C	4.00	20	16.50	13.95	13.95	2.35	1.25	6.35	10	11.56	
Dallas to N. Y.....	R	9.00	18	16.93	7.30	7.30	2.35	1.05	9.65	17	11.56	
	C	4.00	20	16.50	7.30	7.30	2.35	1.25	6.35	10	11.56	
N. Y. to Houston.....	R	3.00	18	14.65	14.65	14.65	2.45	1.20	5.45	7	11.80	
	C	4.00	22	18.00	15.95	15.95	2.45	1.20	6.45	10	11.80	
N. Y. to Portland.....	R	9.25	37	28.00	23.25	28.00	2.35	1.15	11.60	12	17.81	
N. Y. to Cleveland.....	R	4.00	8	5.84	5.84	5.84	2.70	1.15	6.70	41	6.23	
	C	4.00	7	5.75	5.75	5.75	2.70	1.15	6.70	41	6.23	
N. Y. to Philadelphia....	R	4.00	7	2.00	2.00	2.00	2.45	1.20	6.45	89	3.45	
N. Y. to Cincinnati.....	R	5.00	10	7.58	7.58	7.58	2.55	1.20	7.55	31	6.96	
	C	4.00	7	6.55	6.55	6.55	2.55	1.20	6.55	25	6.96	
N. Y. to Baltimore.....	R	4.00	7	4.78	4.78	4.78	2.55	1.20	6.55	81	3.81	
N. Y. to Atlanta.....	R	3.00	10	8.00	8.00	8.00	2.45	1.15	5.45	14	7.89	
N. Y. to Miami.....	R	3.00	14	11.35	11.35	11.35	2.45	1.20	5.45	10	9.86	
	C	3.00	12	10.40	10.40	10.40	2.45	1.20	5.45	10	9.86	

Col. 1—R means Regular Air Carrier, carrying passengers and freight.

C means Regular Air Cargo Carrier, carrying only air cargo.

Col. 2—Min charge, not including pick-up and delivery.

Col. 3—Rate in cents per lb.

Col. 4—Rate per 100 lbs applying on general commodities.

Col. 5—Specific commodity rate applying per 100 lbs of machine parts.

Col. 6—Specific commodity rate applying per 100 lbs of sporting goods.

Col. 7—Minimum charge for pick-up and delivery.

Col. 8—Rate per 100 lbs for pick-up and delivery.

Col. 9—Total air freight minimum charge, including pick-up and delivery.

Col. 10—Weight up to which air express is cheaper than air freight (including pick-up and delivery).

Col. 11—Railway express rate per 100 lbs.

Though tools are rated at 77½ per cent, saws are 100 per cent, and brass coated nails are cheaper to ship than brass nails.

The rules provide also that different articles packed in the same container will be charged at the rate applicable to the highest rated article. A case containing 300 lbs of wiring plugs, 350 lbs of conduit fittings and 40 lbs of fuses, described as "electrical appliances" will be charged at 690 lbs at the first class rate, although wiring plugs and conduit fittings are lower than first class. In determining whether to pack differently rated articles in separate containers, cost of packaging should be weighed against shipping savings.

### Package Savings

Considerable savings are often possible by use of variations in packaging methods. Machinery or furniture shipped "knocked down" is usually rated lower than when "set up." Machinery parts, weighing each less than 50 lbs, are first class when shipped loose, second class in packages. Often the correct classification description and packaging method will vary in different

sections of the country. Wherever variations are possible, total expenditure for packaging and shipping should be considered before revising the system.

**Rates—Surface:** While matters of classification description and packaging are of inestimable significance, constituting perhaps the largest single basis for freight overcharge recoveries, they are generally susceptible to routine handling. Not so easily reduced are continually fluctuating rates and relationship in cost and service which each method of transport bears to every other. This will vary in almost every instance, depending on the commodity, weight, direction of movement, length of haul, packaging and speed required.

### Railroad Rates

Table 1 shows the first, second, third and fourth class rates on rail shipments from New York to various destinations. The maximum rate at which it is cheaper to ship Railway Express is shown in italic face. Express, generally faster, is usually preferable. The table makes (Please Turn to Page 44)



# REA-Airlines' Agreement Gets Temporary O. K.

CAB claims four items in uniform air express rate  
are adverse to public interest; requests changes

THE relations between Railway Express Agency and the airlines recently have been reviewed critically by the Civil Aeronautics Board.

Over three years ago, the Board made suggestions which it was thought would improve the situation. The most important of these concerned the rate-making function. It was the idea of the Board that, in the future, the airlines should charge REA a certain amount, based on their costs of carrying air express, and that then the express rates to be charged should be determined and filed by REA.

This would be a distinct change from the method previously followed; whereby the airlines set the rates for air express and then divided the proceeds (87.5 per cent to the air carriers and 12.5 per cent to REA), after first reimbursing REA for its out-of-pocket expenses in developing and handling air express traffic.

## New Agreements Criticized

The airlines and REA worked out new agreements as of January 1, 1951, and submitted them to CAB.

On November 30, 1951, the Board issued its order and comments on the new uniform arrangements; noting, particularly, that they did not follow the suggestions made in 1948, and that neither the airlines nor REA offered any explanation of such a failure. In fact, the Board seemed decidedly irked at the non-compliance with its order of more than three years ago.

By John H. Frederick

Transportation Consultant  
Distribution Age

CAB also criticized the following features of the new agreements as being adverse to the public interest:

1. Exclusive provisions which guarantee REA a practical monopoly of the handling of air traffic in all goods falling within the category of air express.

The Board stated that adequate proof is lacking as to the need for such a monopoly "by an agency controlled by the railroads," or that any such arrangement is desirable "in the interest of the development of air express facilities best adapted to the requirements of the shipping public."

This opinion coincides with that held for some years by many shippers and others interested in the growth of air cargo transport.\*

2. Establishing a formula for paying REA for its services on the basis of cost, plus a profit; which is a percentage of cost and safeguards for REA, within the formula, which are likely to result in inflated cost figures.

The Board said of this formula: "Incentive for low-cost operations appears to be lacking in such an arrangement."

3. Provision for the establishment of non-competitive air ex-

\* Editor's Note: As long ago as 1942, Distribution and Warehousing, predecessor to DA, stressed this point in three articles by Dr. John H. Frederick, "Some Problems of Air Cargo Development," June, 1942; "Air Cargo on the Ground—The Pick-up and Delivery Problem," October, 1942; and "Air Cargo—Present Handicaps and a Look Into the Future," December, 1942.

press rates by a committee representing the participating airlines (33 in number), which is contrary to the principles set forth by the CAB in its *Air Freight Tariff Agreement Case*.

4. The requirement that REA distribute air express business among competing airlines, on the basis of historical participation.

Several airlines themselves objected to this provision, which does not appear to insure the most expeditious handling of air express.

## Temporary Approval Granted

The above objections are strong and, ordinarily, would be grounds for the disapproval of the REA-airline agreements. The Board, however, recognizes that air express operations, even under these new agreements, constitute a real and vital service to the public; that disapproval probably would result in a temporary, but possibly extended, interruption of air express service since there are no substitute pick-up and delivery facilities immediately available.

Therefore, the Board approved temporarily the new agreements to avoid disrupting essential transportation service—but only until December 31, 1952.

Prior to the expiration of the temporary approval, the airlines and REA will have to submit to the Board revised agreements eliminating the objectionable features or, alternatively, must submit adequate proof that such provisions are not contrary to the public interest or in violation of the Civil Aeronautics Act.\*

## Stable Freight Rates . . .

By I. W. Schmidt

Assistant Traffic Manager  
Oldsmobile Division  
General Motors Corp.

**C**LIMBING freight rates and transportation costs today are creating new problems in the traffic management field, making it necessary for all of us to view these problems with concern.

Charges resulting from freight rates and transportation costs are passed on to the ultimate owner or user; generally becoming part of the cost of the product.

In the past, such costs were often irrelevant. The purchaser gave little, if any, attention to the costs because his greatest concern was in obtaining the article or material.

Today, however, our country again is in an economic era, or cycle, in which costs are analyzed realistically. When costs become excessive, the common carriers can price themselves out of business.

This condition can be effected in many ways: primary ones being, (1) the purchaser goes to the point of manufacture to buy his wares without the freight or shipping costs; (2) he uses private carriages owned by either the manufacturer or vendor, or by the dealer or vendee; and, (3) the carriers may show selectivity in the acceptance

## A Job for E

Utilize technical advances

of traffic within certain fields.

With labor costs rising continually—and with no relief seen in that direction for some time to come—we must examine some technological developments and improvements to discover the more efficient use of carriers' equipment for any possible gain.

Running mates of these two factors are such reducible expenses as solicitation and operation, terminal, and loss and damage claims. These are the items that must be refurbished if we are to "hold the line" on costs or are looking for any reduction in rates.

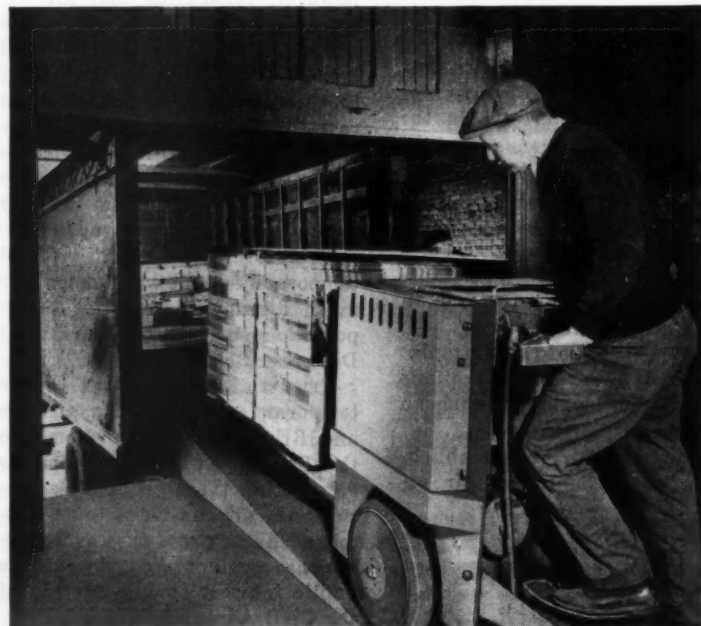
Let us review the case, one item at a time.

The technological improvements are: Dieselized tractive power to secure lower over-the-road costs; cab-over-engine tractors to increase payload length; lighter metals and materials used in building carrier equipment in order to increase payloads; and mechanical handling methods being tried and used to lower terminal expense and manpower costs.

### Vehicle Changes

It has been acknowledged that the greatest gains that can be made will be found in the load-carrying vehicle. Along with many other features, such gains will be secured through reducing the vehicles overall weight, increasing its overall size, adopting specialized handling and stowing to permit greater payloads, and making more efficient use of equipment in loading and unloading to afford faster turn-

Materials handling equipment will usually result in substantial savings



# Everyone

to offset increasing costs

around time, which eventually will effect a reduction of the carriers' capital (equipment) expense.

In the reduction of over-all weight on load-carrying equipment, lighter metals and compositions can be used more generally and more efficiently to effect greater payloads with less drag weight. With lighter metals in use, more substantial trailer floors—on the nailable steel or extruded metal type—can contribute much to the cause. The specific types, of course, are dependent on the variety of merchandise carried normally.

## Reducing Weight

A light-weight method of bulk-heading or bracing must be adopted to anchor loads securely, and to eliminate the heavy blocking and bracing and the resultant cost of carrying those devices. This becomes mutually beneficial; in providing more space for revenue paying freight, and in reducing the hauling cost for the shipper/receiver. Devices such as these (already in use in railroad cars) could be adapted by motor carriers for their equipment.

Motor carrier vehicles should also provide for the double decking of certain type loads (to provide greater efficiency for their vehicles) thereby reducing the costly "air" charge through better loadability. Some motor carriers have already experimented with this system and have found it to be very beneficial.

Concerted action should also be  
(Please Turn to Page 60)



Nailable steel flooring is used successfully in trucks and freight cars

Shelf-like, convertible bracing economizes space, permits snug loading





# Intermediate Rules . . .

## Some Observations

The application of tariff rules, for rates at intermediate points, is vital to transportation companies and shippers  
These ICC cases will further understanding of the rulings

**O**F MUCH concern to the transportation companies, as well as to the shipping public, in arriving at transportation charges, is the application of rules in tariffs providing for rates at intermediate points or covering the publication of rates at intermediate points and sometimes both. (See example on facing page.)

Today, there are few published tariffs containing rates that do not have therein some rules of this kind.

### Purpose of The Rules

The purpose of the intermediate rules is to make provision for rates at intermediate points in line with those at more distant points; thereby conforming with Section four of the Act. Such rules are, in essence, nothing more than convenient administrative devices for conforming rates via various routes to the long and short haul clause.

Basically, a Fourth Section departure is, ipso facto, a Third Section departure of a specified type; except in cases where the facts show on their faces that the apparent discrimination is not undue.

Apart from the few Fourth Section Cases which in substance treat with the question of how far a given rate can be stretched over various routes having variations in operating cost and margin of profit, if any of the latter, the ICC

By Harry G. Crafts  
Branch Traffic Manager  
The Coca Cola Co.  
Dallas, Texas

has laid down no rules or guide posts to determine the facts as to when a given rate ceases to yield a profit.

While the writer recognizes the connection and would not minimize the importance of a study of cases where there allegedly are violations of Sections Three and Four, a full coverage of the subject is not possible at this time. For the present, observations will be confined to alleged violations of Section Six.

### Some Confusion Eliminated

The ICC is to be given much credit for eliminating some of the things that have heretofore caused confusion. By its Tariff Circular 20, the Commission has set out in Rule 27 specific wording required in tariffs intending to provide for rates applicable from or to intermediate points.

Editors' Note—Additional information, in the form of ICC Rulings; Court Decisions, Bibliographies, other pertinent data, is available on statements showing a footnote. Space limitations prevent their publication. But the Editors will be glad to send interested readers specific references or more detailed explanations. Write to: Editor, DISTRIBUTION AGE, 56th and Chestnut Sts., Philadelphia 39, Pa., and supply footnote number.

Little, if any doubt, is left as to what the tariff compiler intended to cover by the intermediate note. Uniformity also has enabled the tariff user to know what to expect in the intermediate rule.

Intermediate applications are necessarily joined with routes over which the more distant point rates apply, because the rate from (or to) the more distant point must be applicable through the intermediate point.

### Defining Routes

Here the Commission also has provided, in its tariff circular referred to, Rule 4 (k); that tariffs must state routing over which rates apply, in such manner that such routes may be definitely ascertained.

This must be accomplished by one of the following plans:

1. By providing that the rates in the tariff apply only via the routes specifically shown therein or;

2. By providing that the rates apply via all routes made by use of the lines of the carriers parties to the tariff, except as otherwise specifically provided in the tariff regulations.

Had it been possible to go a step further and provide specific routing in connection with all published rates, other issues would have been settled. The cost and work to accomplish this would have been tremendous.

# and ICC Decisions

Rule 28 of ICC Tariff Circular 20 provides that a rate via a given route, when made subject to an intermediate rule at point of origin, cannot be made subject to a rule providing that rates will be published from intermediate points via that route.

Similarly, if a rate via a given route is subject to an intermediate rule at destination, it may not also be made subject to a rule providing for publication of rates at intermediate points of destination, or vice versa.

Tariffs issued on a sectional plan may contain both rules for their respective applications in each section.

Rule 105 of ICC Tariff Circular 20 provides that rules and charges may not be made applicable to or from points on the lines of participating motor carriers; but nothing shall prevent the use of intermediate rules in establishing rates to (or from) points on the lines of rail carriers participating in joint rail-motor rates.

## What Else Can be Done

The two things which can be done in the future to further eliminate confusion, are:

1. Encourage the carriers to publish rates at intermediate points or;
2. Provide specific and clear routing in connection with more distant point rates.

Either of these involve work and cost to the carriers, but provision for intermediate application with specific routing would involve less work and cost.

It should be clearly understood by the reader that what is written here is intended to be used only as a guide, and, of course, the specific provisions of any tariff contrary to this text must be considered on its own.

The ICC has seen fit to permit deviations from its tariff rules and has, in some cases, allowed the carriers to apply higher rates at intermediate points than at more distant points.

To relieve the carriers of the burden of having to provide numerous rates at intermediate

points, a great many of which would never be used, the Commission gave in its Circular 20, Rule 77, a note which could be incorporated in the tariff where no intermediate rule was provided.

The note provided for the establishment, on short notice, of rates at intermediate points on the same route. There also was a provision for reparation where shipments had moved under a rate higher than that contemporaneously in effect at more distant points which were subject to Rule 77, and which applied through the intermediate point.

## Applications of Rules

While Rule 77 was cancelled effective October 10, 1930, it is well to consider, for proper background, some of the decisions the ICC made concerning application of intermediates when that rule was applicable.

At present, where commodity rates are not made applicable at intermediate points under an intermediate rule, they are generally covered by specific orders issued by the Commission; permitting de-

parture from Section Four of the Act, and carry a provision that such rates are not made applicable from or to intermediate points.

Sometimes, provision is made by a note in the tariff that commodity rates will be established from or to such intermediate points, which will bear a relationship to the class rates to which the commodity belongs.

## Provisions for Class Rates

The holding out to establish rates at intermediate points usually will be found only in connection with specific commodity rates. Class tariffs generally have a rule which provides for class rates at intermediate points.

An interesting exception to this was an early case brought to the Commission in *Handy Chocolate Co. v. B & O RR, et al*, 146, ICC 213, decided June, 1928. This case involved the application of a more distant point rate to an intermediate point, where a tariff carrying class rates contained a Rule 77 provision. Division Three of the ICC previously had decided the issue on the grounds that the rates to the intermediate points were not unreasonable; furthermore, Rule 77 dealt only with commodity rates.

The Commission reversed the decision of Division Three, now holding that the tariff was sufficiently broad to cover all rates published in the tariff, and was a holding out by the carriers of a promise to apply the more distant point rates to the intermediate points. Its effect, it stated, was the same as that of an intermediate rule. Reparation was awarded on basis of the rates to the more distant points.

(Please Turn to Page 70)

## Who Hauls What . . . ?

# The Case of Special Commodities

By G. Lloyd Wilson  
Professor of Transportation  
University of Pennsylvania

The author cites ICC decisions which have defined functions of 'general, restricted and heavy' haulers

THE controversy among motor carriers who function under "general commodity," "restricted commodity," or "heavy haulage" operating rights in interstate commerce has been a vigorous one.

Disputes and law suits have involved not only carriers of these types, but also shippers and consignees of many commodities, and the Interstate Commerce Commission.

The lines of demarkation are not clear between "general or restricted commodity" and "heavy haulage" operating rights, but the ICC has been able to follow several guide lines in determining whether carriers are authorized to handle certain types of iron and steel shipments.

### Three Considerations

In negotiations for motor freight transportation services and rates, consideration must be given to the carriers' rights regarding:

1. Territory,
2. Routes,
3. Commodities permitted to be transported.

Motor carriers who seek these special commodity shipments usually are asked to show copies of their permits, issued either by the ICC or similar state regulatory commissions. The permits define the operating rights in the three above respects, either as common or contract carriers.

Many types of commodities can be handled under the operating rights of "general or restricted



The ICC has established rules that decide who should haul this item

commodity haulers," if the commodities are either included specifically or placed in general classes of products; or under applicable conditions they might fall under the operating rights of "heavy haulers."

In such cases, shippers or con-

signees may use any of these types of motor truckers, dependent upon the territorial and route operating rights, and their services and rates which are clearly defined in the Interstate Commerce Act.

The ownership of the vehicles required to handle certain types of

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special commodities does not appear to be of prime importance. It is the type of service used and the operating authority of the carriers, apparently, that is controlling.

If the articles to be transported by motor carriers require "special handling" or "special equipment" because of *weight, size, special protection, equipment of drivers, equipment for loading or unloading*, or other facilities, the trend of ICC decisions indicates that such commodities are classified as "*articles requiring special handling or special equipment.*"

Thus, these commodities are included in the operating rights of "heavy haulers." They are not included in the operating authority of "general or restricted commodity haulers," although their operating rights may include the commodities, but do not specifically give the carriers the right to transport them when they need "*special handling*" or "*special equipment.*"

#### Defines Limits

Motor carriers' commodity tariffs, or rules and regulation tariffs, often provide that "general or restricted commodity haulers" will transport only commodities which

Editor's note: For reader reference, the cases cited in Dr. Wilson's article are: Rulon C. Ashworth Common Carrier Application, No. M.C. 1872, [26 ICC 332], 1951; Longshore Transfer Co., Inc. Contract Carrier Application, No. M.C. 72998, [29 M.C.C. 479], 1941, reconsidered and permit application approved in [32 M.C.C. 540], 1942; E. A. Gallagher Common Carrier Application No. M.C. 77569, Application disposed of without printed report, [32 M.C.C. 818], 1942, and reconsidered and order modified [48 ICC 413], 1950; St. Johnsbury Trucking Co., Inc. Extension—Heavy Hauling, No. M.C. 108473 (Sub. No. 2), [51 M.C.C. 108], 1950; Steel et al.—Control; E.T. and W.N.C. Transportation Co. Purchase, No. M.C.—F-2989, [56 M.C.C. 50], 1949.

"can be handled by the driver of the truck." The National Freight Classification describes such items as weighing 500 lb or less and measuring less than eight ft.

The following ICC cases and decisions should further define the conditions which contribute to "special handling" or "special equipment."

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Starting assembly, the worker has folded wirebound "mat" to shape



A wirebound crate packed with tile weighs 640 lb; the crate weighs 32 lb.

## Solving A Shipping Problem

**Fire brick company has cut packing costs 25% and tripled the carton output of its workers**

**P**ROOF that heavy shipping containers are not always the answer to packing heavy commodities is offered by the Stevens Fire Brick Co., Macon, Ga., which ships fragile and heavy fire bricks, tiles and other special refractories all over the world.

The company has been able to ship as much as 640 lb of refractories in a 32-lb wirebound crate. The relatively lightweight crate has all but eliminated shipping damage and pilferage and has cut packing costs by at least 25 per cent.

Until two years ago, the Stevens company made its own heavy wooden nailed crates for export, a time-consuming and costly process. Despite the heaviness of the crates, shipping damage due to container failure was frequent.

The company consulted trained shipping container engineers and, as a result, converted to the use of scientifically designed machine-made wirebound crates, specifically created to carry the heavy refractories in export and domestic shipment.

The new, made-to-measurement crate met the requirements of packing a wide range of refractories of varying sizes and shapes so that little inte-

rior packing was required. Immediately, the company's reports of shipping damage ceased. The capacity of packers increased from five to 15 crates per day.

The wirebound crate consists of three parts—the two nailed-in ends and the one-piece wirebound "mat" that comprises the four sides of the crate and is easily and quickly folded into shape.

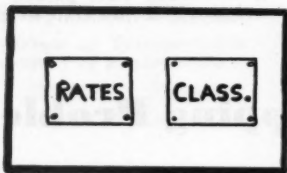
In packing, refractories are laid in a crate to form a tight pattern so they cannot shift. Slack is eliminated by filling empty space with scrap lumber or straw. A crate is closed quickly and securely by folding the lid shut, attaching it to the ends with a few nails, and engaging and twisting the ends of the binding wires of the "mat."

Containers packed with as many as 600 lb of refractories can be stacked safely in warehouses, freight cars or holds of ships.

In addition to shipping refractories of all kinds throughout the nation, the Stevens company also exports items to Shanghai, Calcutta, Rio de Janeiro, Buenos Aires, Havana, Yokohama, Sydney, Cairo, Puerto Rico, Guatemala and other distant points. •

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# TIMES Have Changed for The Traffic Manager, Too!



**20 Years Ago . . .**

**A**LL of us will agree that Traffic Management, with few exceptions, is not recognized by top management in business or by the American public in general.

One big reason for this . . . the industrial traffic manager has failed to educate himself.

I do not mean that he must be a graduate honor student, a lawyer, or possess a master's degree in transportation, but he must know his field of endeavor so thoroughly that he will handle his duties intelligently and be a credit to his working colleagues.

## What Is Expected?

The question might be asked, "What do the modern businessmen expect from their Traffic Manager?"

Our reply to this question should be: "A leading businessman with an unprejudiced mind."

Thomas Hargrave, President of Eastman Kodak, suggests: "A Traffic Manager must know a

Packaging, warehousing, materials handling and marketing are included in added responsibilities



**. . . and Today**

**By Bert H. Peterson, Jr.**  
*Associated Transport, Inc.*  
New York, N. Y.

whale of a lot, not only about the business of the company in general but also other businesses related to transportation."

## Some Changes Made

Years ago, a traffic manager and his staff needed only a precise knowledge of rates and classifications.

Today, however, leaders in the field of transportation are also masters of distribution and marketing of their company's products.

The alert Traffic Manager of today recommends to top management sites for warehouses and factory locations. His department coordinates very closely with all other departments of his company (particularly the sales force), showing them, through rate state-

ments, what advantages their competitors have over them in freight charges when marketing their product.

Possibly a change in mode of transportation will enable his firm to regain a lost market. The Traffic Manager and his department will study and analyze this situation very closely and a recommendation will be made after careful scrutiny and many hours of research pertaining to the transportation problems involved.

Unfortunately, not every traffic man finds himself in a position to assume broader responsibilities. This is due to lack of foresight in planning his career.

## Process of Education

We in the traffic field feel that we can convince top management of our importance and necessity by a process of education.

We must show them we are qualified to be capable members of the executive industrial team

which formulates and develops the company's policy. This we must realize is not going to happen overnight; probably not for several years.

Regarding self-development and improvement, E. G. Plowman, Vice-president, Traffic, United States Steel Corporation, said in an address before the Junior Traffic Club of Chicago: "Regardless of whether or not, in the future, industrial traffic managers will have professional status and recognition, there can be no doubt as to the need for proper standards as to training and experience of traffic department employees."

"I believe that much more training can be provided in school. It seems clear to me that, in addition, those already engaged in industrial traffic work can be supplied with more usable and effective suggestions for self-training and self-advancement."

#### Advance Since WW II

Transportation men agree that Traffic Management has made its greatest advance in the years ending World War II. A number of explanations can be given: (1) the basing point system, (2) rising transportation costs, and, (3) stiffer competition among industry.

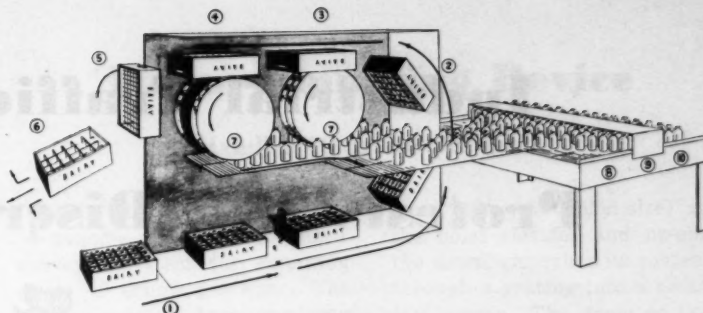
Perhaps the most important factor has been a higher caliber of qualified educated men that are being introduced to the field of Traffic Management.

Traffic Management should fulfill our greatest ambitions when the American Society of Traffic & Transportation gets the recognition from the business world it so rightfully deserves. Supporting this movement for recognition of Traffic Management are most of the leading traffic executives and officials of this country.

Traffic organizations like the Delta Nu Alpha Transportation Fraternity are dedicated to educating the Traffic man and arousing his interest to learn more about the functions, duties and complexities of Traffic Management, in his own business and in other industries.

Relating to professional education in transportation, Hon. Clyde B. Atchison, ICC, said: "Trans-

(Please Turn to Page 48)



Schematic drawing of the uncaser and washer-loader shows (1) cases containing empty bottles enter on lower level, (2) cases inverted, bottles held in place, (3) center rows of bottles delivered to first transfer wheel, (4) outer rows to second wheel, (5) case set right side up, (6) case can be delivered right, left or rear, (7) bottles placed on bottle conveyor for delivery to remote or close-coupled washer-loader, (8) bottles are spread, (9) oscillating alignment guides assure full channels, (10) bank of bottles is ready to enter washer magazine prepared for washing operation.

## Bottle Handling Machine Speeds Washing Operation

**A**NEW materials handling machine in the bottling field has been marketed to eliminate one of the last steps in the bottling cycle now performed by costly manual methods.

Capable of feeding at rates up to 576 bottles per minute, the RCA full-depth uncaser and washer-loader was designed to speed up uncasing and washing of bottles in dairies, beer, beverage and other industrial bottling plants.

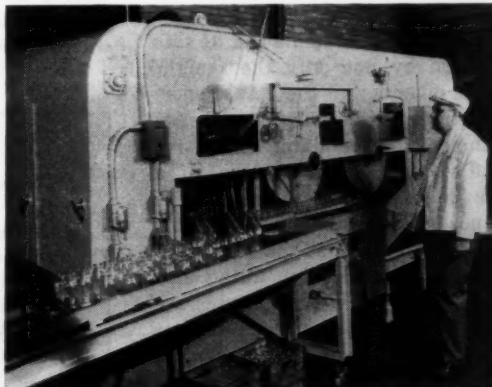
Simple in principle and construction (see schematic drawing), the machine is built to assure a continuous flow of cases and bottles of various sizes and

shapes to the washing equipment. The uncaser can be adjusted in a moment to take different size bottles. Similar adjustments on the washer-loader are quickly made.

The machine can be made to handle wooden, metal or cardboard cases, and automatically stops and rings a bell if faulty cases or improperly positioned bottles are fed in. Incorporating a supply control which keeps an adequate amount of bottles ready to enter the washer, the new machine is expected to revolutionize the container handling field.\*

Circle 10 on Readers' Service Card

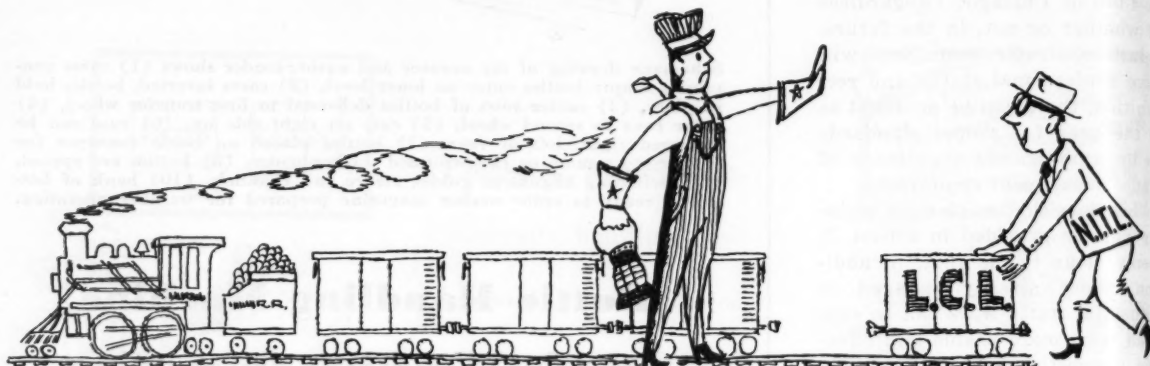
Shown here is the uncaser section of the machine. Cased bottles are fed on lower level from the right. Conveyors carry cases up and over large wheels. As cases continue through machine bottles are lowered into transfer wheels with pliable rubber surfaces which grip them and release them right side up on belt.





# Industrial Traffic League

## Protests LCL Discrimination



**Traffic manager offers plan in NITL attempt to forestall railroad proposal which would eliminate 'unprofitable' LCL shipments**

Gentlemen:

**F**OR many months much has been written and said about handling of less than carload traffic. As a member of the LCL and Merchandise Committee of the National Industrial Traffic League, I have been called upon to consider railroad action in the proposed cancellation of pick-up and delivery services in Official Territory as well as proposed methods they have for attempting to restore a certain amount of this traffic to rail lines.

We need an examination of this problem by not only the freight traffic officers, but the actual operating management of the railroads—the policy making executive staff. It is easy to say that if a line is losing money, the way to dispose of that malady is to cut it off; but that is not the real solution. If a man has an ailing arm or leg, we do not amputate; we examine it and see if we cannot restore that member to complete usefulness.

**By M. J. Barron**  
*General Traffic Manager*  
*Ekco Products Co.*  
*Chicago, Ill.*

Much the same sort of thinking should be applied to the problem of LCL freight.

### Not All Profit

My company, one of the large industrial organizations in the United States, manufactures and sells almost 2,000 different housewares items. We have been a con-

sistent moneymaker for over 60 years. Obviously during all those years all of the items we manufacture do not earn a profit. Many times for a period of years a certain segment of the business is operated at a loss. The reasons are many. When a new line is introduced it is necessary to meet competition, and we are limited by what the article is available for in the open market. On the other hand, if a competitor has been selling this item for many years he undoubtedly has perfected his manufacturing processes so that the waste is eliminated.

This situation with reference to our business is universally true in any manufacturing enterprise. Certain items in the line do not always produce a profit, but they must be carried if the company sets itself out, for example, to provide all the essential items in a particular field. It enables the salesman to satisfy his customers with all of the things that a retailer needs to stock a department.

### Distribution

Copies of Mr. Barron's timely "protest and proposal" letter were sent to 80 officers of Class 1 railroads, members of the LCL and Merchandise Committee of the National Industrial Traffic League, and to other interested LCL shippers.

Now let us analyze the railroad picture. They in a sense are selling a lot of different items in a line. Their line is transportation. They are not specialized carriers of carload movements nor are they specialized carriers of high class passenger transportation. They must provide the customers with a complete line. They must have complete freight transportation service, carload as well as LCL. They must have passenger transportation service.

Let us examine or review what is involved in the handling of merchandise traffic. In the reports for Class 1 Railroads for the First Quarter of 1952, the operating revenues were \$2,587,500,000, the largest revenue for any three-month period in any year of record. Total operating expenses were \$2,010,200,000—net income after all charges was \$142 million in the First Quarter as compared with \$106 million in 1951.

#### 10 Per Cent LCL

During the week ending May 10, railroads carried 719,793 carloads of freight. Of this total 72,186, or 10 per cent, consisted of merchandise and LCL traffic. The same situation was true of the previous week of May 3 when the total carloadings were 744,000 and 72,000 cars were loaded with merchandise and LCL traffic. A year ago the total carloadings were 808,000 cars, of which 77,000 cars were LCL and merchandise traffic; so it is safe to say that of the total carloads originated by the railroads, approximately 10 per cent come from LCL and merchandise traffic.

If we are correct in our assumption, then we can roughly assume that likewise 10 per cent of the operating revenues of \$2,587,500,000 for the First Quarter of 1952 was represented by this LCL and merchandise traffic, or \$258,750,000.

Would directors of Class 1 Railroads tell their stockholders "We should advertise that we are not interested in that \$258 million worth of gross revenue and that we propose to take steps that will eliminate this income from the Class 1 Railroad revenue?"

(Please Turn to Page 52)

## Drum-Emptying Device

Handles 40 drums per hour

THE Gifford-Wood Co. announces this fully-automatic conveyor system for emptying up to 40 drums per hour. The totally-enclosed drum-emptying system eliminates manual lifting, cuts work-hours, provides dust-free emptying and washes emptied drums.

Three chemical plants are now using this equipment and other plants may easily adapt it.

The system comprises four principal units. (See line drawing): (1) skip hoist, (2) transfer conveyor, (3) drum washer, (4) lowerator.

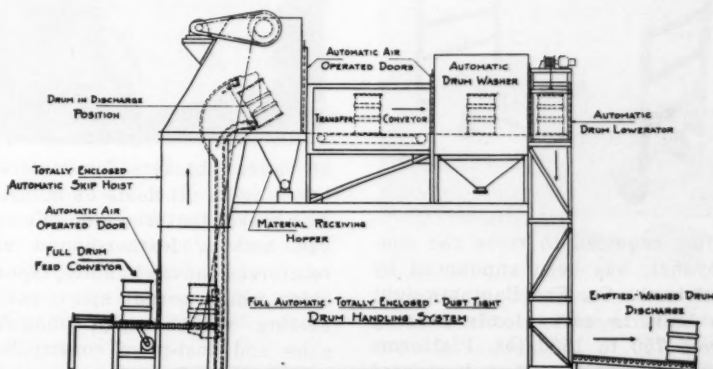
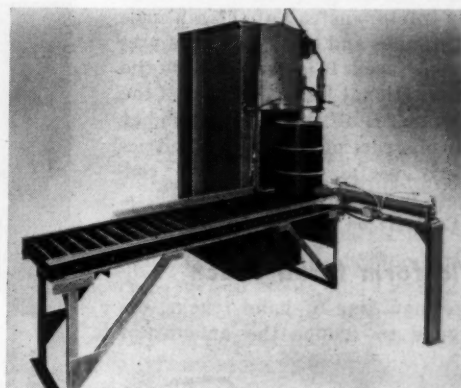
A roller conveyor brings drums to the skip-hoist enclosure, an air operated door automatically opens, and a drum is pushed in and onto an elevating carriage. Clamps grasp the

drum (30 or 50 gallon size) and the hoist elevates and up-ends the drum, emptying its contents through a grating into a receiving hopper. The drum is then released from the clamps and drops onto the grating.

The air operated exit door opens, a ram pushes the drum onto the transfer conveyor, the exit door closes, the empty skip-hoist carriage returns to the loading position, and the entrance door opens again to receive the next drum.

The transfer conveyor then moves the drum into the automatic washer where it is cleaned inside and out, washed, rinsed and blown dry. From the washer the drum travels to the automatic lowerator and is fed to the discharge conveyor.

Picture (right) shows drum entering system at right angle to skip-hoist enclosure. Line drawing (below) shows complete view of device and route drum follows during the cleaning and emptying process.



# DA NEW Products

FOR FURTHER INFORMATION USE READERS' SERVICE

## Construction Conveyor

Specially designed for use by contractors, American Conveyor Co.'s new Con-Vay-It Special 12-30 features a new mounting and application of hydraulic power from

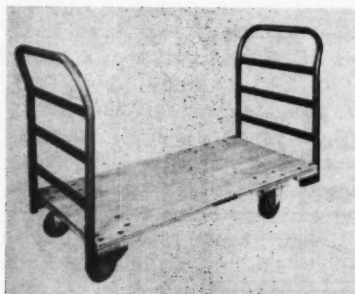


the tractor instead of the air cooled engines and electric motors previously used. It is used on both the International Farmall Cub and the Super A. Built to handle a number of construction items, it is particularly useful wherever wet concrete is used.

Circle 11 on Readers' Service Card

## Platform Hand Truck

A new line of hand trucks, designed to reduce the amount of



effort required to move the conveyance, has been announced by Fairbanks Co. The Bantamweight is built to carry loads ranging from 750 to 1500 lbs. Platforms are made of tongue and grooved

seasoned oak, reinforced with cross battens, and are standard in four sizes. Easy handling is assured by the Lockweld, Double Ball Race, Swivel Caster, which with steel rigid casters make up the running gear. The trucks are available with one or two offset pipe racks and rubber tires, solid rubber or semi-steel wheels.

Circle 12 on Readers' Service Card

## Canvas Basket

W. T. Lane & Bro., Inc., now offers, in six different sizes, a line

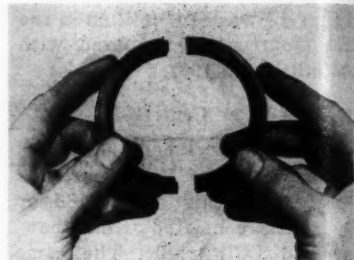


of canvas baskets for materials handling in all fields of industry. The basket features a double canvas bottom, leather-bound rim, reinforced canvas handles, tapered sides which permit space saving nesting when empty, snag-free sides and dust-proof construction.

Circle 13 on Readers' Service Card

## Bearing Type Seal

A new positive, two-piece bearing type seal to prevent oil leakage from rear main bearings of automotive engines has been developed by the Brummer Manufac-

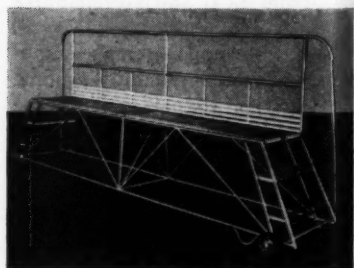


turing Co. By fitting two half sections around the crankshaft and tightening together, a positive seal is obtained. Precision molded to close tolerances, it is made of oil-resistant Hycar American rubber, a product of B. F. Goodrich.

Circle 14 on Readers' Service Card

## Portable Platforms

All steel welded tubing, ex-



panded metal treads and platform provide safe footing and ample space on Ballymore Co.'s new portable platform. Built to order to meet measurement requirements, the platform was designed for assembling large machinery and machine tools, tank turrets



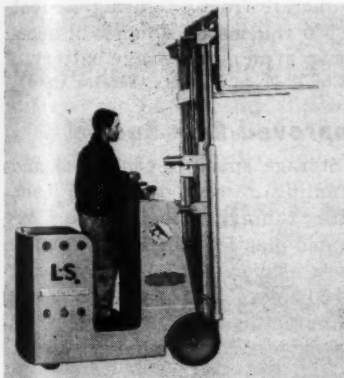
CARD . . . . .

and guns, aircraft production and inspection, bus and truck maintenance and similar applications.

Circle 15 on Readers' Service Card

### Warehouse Fork Truck

Lewis-Shepard Co. has marketed a new electric fork truck with 1500 lb capacity designed for docks,

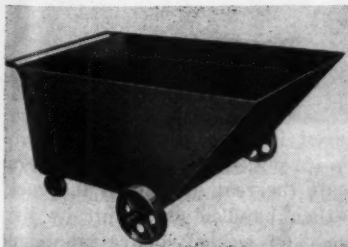


warehouses and terminals. The SpaceMaster 59 features a 59 in. turning radius, a 50 fpm loaded lift speed, no grease points and no under truck adjustments.

Circle 16 on Readers' Service Card

### Hand Dump Truck

A new hand dump truck has been developed by Palmer-Shile Co. to



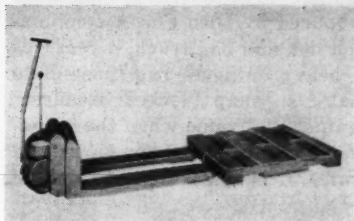
catch turnings from screw machines, catch and transport scrap from other machines and for use

as a general utility truck. The 12607 Mansfield is constructed of heavy sheet steel and reinforced with flange along top edge. With a  $\frac{1}{2}$  cu yd capacity, it is equipped with two wheels and two swivels.

Circle 17 on Readers' Service Card

### Double Pallet Handler

Service Caster and Truck Corp. has announced a new member of its Leverlift line of floor trucks, designed especially for handling double face pallets. It features a forked-design platform with tog-

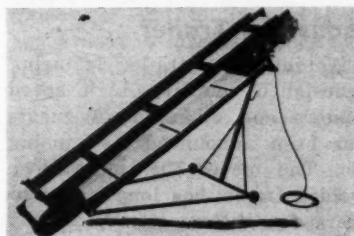


gle boosters and helper rolls that enable it to slip easily into double face pallets without jockeying. Boosters at the end of the platform tines engage the bottom face of the pallet first, lifting the platform slightly so that the rear wheels can roll smoothly into the pallet. Rear wheels are then projected through the bottom of the pallet and the load is lifted by hydraulic pump.

Circle 18 on Readers' Service Card

### Cleated Conveyor

A cleated belt conveyor for handling light stampings, screw machine products, scrap and other



press room and machine shop materials is being manufactured by Rapids-Standard Co. The Press-Veyor, Jr., is available in 4, 6 and 8 ft lengths, and 4, 8 and 12 in. belt widths. The 12-gage steel bed and guard rails are formed in one piece to prevent parts handled from catching and being damaged. Standard belt speed is 55 fpm, and a choice of single or three-phase motors for 115 or 220/440 voltage is offered.

Circle 19 on Readers' Service Card

### Air Vibration Table

Cleveland Vibrator Co. has marketed a vibrating table with a wide variety of applications. It can be used for packaging small parts and granulated materials, settling concrete molds, filling containers with semi-thick liquids, drawing cores in foundry practice, jogging

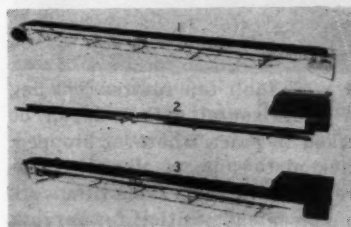


paper, etc. Intensity of vibration can be controlled by a pressure control regulator, permitting operation at 20 to 100 psi line pressure. Table top is 12 in. by 18 in., floating on heavy steel springs 36 in. from the floor.

Circle 20 on Readers' Service Card

### Materials Toter

Mar-Rail Conveyor Co. has designed a portable conveyor to take "hod" carrying out of the building trade, and with application in other fields. Built to handle small construction items, the toter features bridge type trussed construction and torque frame to eliminate sag and twist. With a 1200 lb load capacity, it is 20 ft long and 14 $\frac{1}{2}$  in. wide, and equipped with a 12 in., rough top, vulcanized rubber belt. A totally



enclosed  $\frac{1}{2}$  hp gear motor furnishes the drive. A gasoline motor drive is available.

Circle 21 on Readers' Service Card

# DA NEW Products

Continued from previous page

## Drum Attachment

A new completely automatic, mechanically operated drum handling attachment, capable of carrying different size drums, two at a

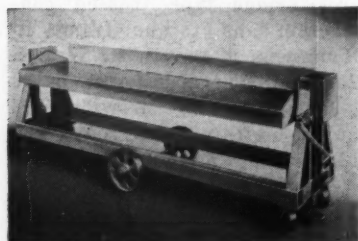


time, is available at Yale & Towne Manufacturing Co. Operation of the horizontal drum attachment is completely mechanical, requiring no special hydraulic system components. It is clamped directly on the truck forks.

Circle 22 on Readers' Service Card

## Tilt Top Truck

Hamilton Tool Co. has developed the Portelvator Tilting Top Truck to supplement heavier handling materials at terminal points, and spot material or tools which require precision placement. The

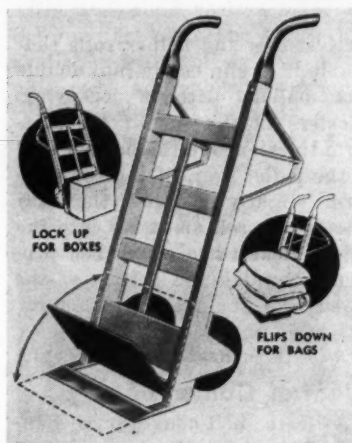


24 x 96 table-top rotates 360 deg on a horizontal axis and can be locked in place wherever stopped. Back plate supports broach holders and fixtures as table tilts work to convenient position for service. Truck rides on two wheels and four casters, and capacity is 3000 lbs.

Circle 23 on Readers' Service Card

## Combination Truck

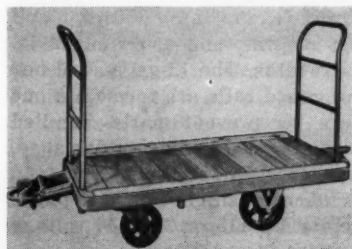
A new hand truck with the advantage of two trucks has been produced by Dico Co. A combination box and bag truck, it features a heavy, hinged bag nose-plate that is snap locked securely against the frame when the standard toe fork is used for boxes and crates. It is available in two sizes.



Circle 24 on Readers' Service Card

## Industrial Trailer

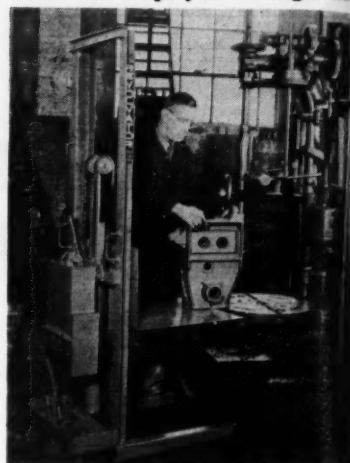
An industrial trailer featuring redesigned couplers, high speed casters and other improvements has been announced by Lansing Co. The model 895, built on a welded frame, has long link couplers for better maneuverability and increased convenience on overhanging loads. Decks and superstructures are custom made.



Circle 25 on Readers' Service Card

## New Model Uplifter

Revolor Co. has announced a new model Uplifter which uses the same type of ram and double roller chain lift employed in high lift

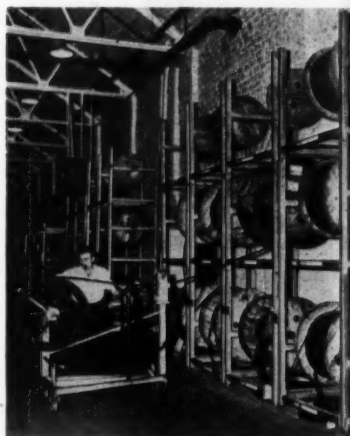


fork trucks. It has a capacity of 6000 lbs, a 62 in. lift, and is available with either 110 volt AC motor to operate from a lighting current or a 6 volt motor which will operate from an auto storage battery.

Circle 26 on Readers' Service Card

## Improved Reel Rack

Storage space is conserved and handling of reels of cable, loom, wire, tubing, rope, beading, extruded plastic shapes, etc. is made more efficient by a new stacking rack developed by Equipment Manufacturing, Inc. The reel is

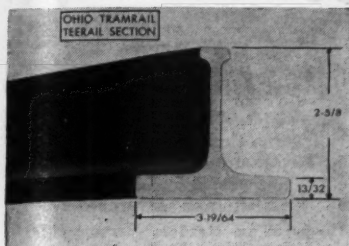


placed in the rack at floor level, U's provided on cross members locate the rear axle. Reel and rack is then handled as a unit by lift truck. Of welded square tube construction, each reel is free to rotate independently.

Circle 27 on Readers' Service Card

## Tramrail Section

A new Teerail tramrail section announced by Forker Corp. affords a savings of 29 per cent in weight over the old section. The B-2800 Teerail weighs 6.9 lbs per ft as compared to 9.6 lbs per ft for the former section. Weight economy is obtained by reducing the web

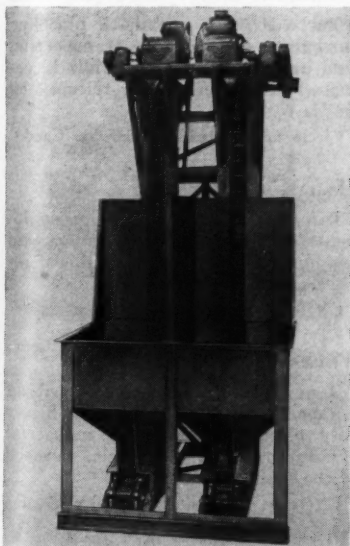


height. It permits Ohio Tramrail systems to be used for light handling requirements of from 500 to 1000 lbs, rolling live loads, in addition to heavier demands up to 6000 lbs. Constructed of hi-carbon, hi-manganese steel, sections are available in 20 ft lengths.

Circle 28 on Readers' Service Card

## Continuous Feeder Unit

May-Fran Engineering, Inc., has announced production of a continuous conveyor-feeder unit. It was developed to meet the need for a mechanized method of han-

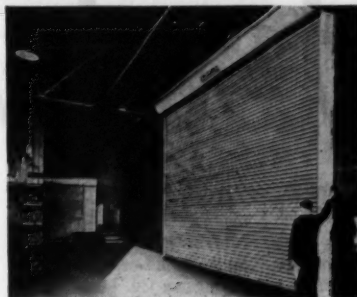


dling small forgings, castings, stampings and machined parts during heat treating, sand blasting, washing and cleaning operations. They are custom fabricated to meet individual requirements relative to size and capacity.

Circle 29 on Readers' Service Card

## Rolling Doors

Kinnear Mfg. Co. has announced a new line of metal rolling doors. Included in the new line are doors



equipped with narrow, transparent panes of heavy duty plastic for use where more interior light is required or vision to the outside is desirable. The panes are available in one or more of the interlocking steel slats that coil upward above the lintel.

Circle 30 on Readers' Service Card

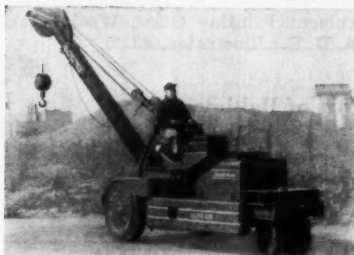
## Fortified Lube Oil

Shell Rimula Oil, being marketed by Shell Oil Co., features a combination of additives never before attained on a commercial basis, substantially extending the serviceable life of industrial and materials handling trucks, gasoline engines operating in door-to-door service, as well as some industrial automotive type diesel engines, according to a company claim. Tests show the oil cuts engine wear from corrosion and fouling. It was designed to solve engine wear and fouling problems aggravated by low loads, high sulphur fuels and intermittent service.

Circle 31 on Readers' Service Card

## Trailer Transport

Silent Hoist and Crane Co. has broadened the usefulness of its Krane Kar mobile swing-boom



crane with the development of a Krane Kar Trailer Transport. The dual purpose equipment provides a

mobile crane for lifting, stacking, spotting and loading applications, and the transporter for carrying and delivering bulky, heavy or large quantities of varied material in yard and shop. The mobile crane is now equipped with dual seats and operating controls so that it may be operated in congested areas or narrow aisles without turning the machine around. The Krane car is available in 1½ ton to 10 ton capacity, with solid or pneumatic tires. Axle racks are interchangeable with other types of containers and trailer may be suspended from boom when required.

Circle 32 on Readers' Service Card

## Carton Conveyor

Reducing labor costs in carton-ing up to 85 per cent, the Model 54 Convey-O-Mat automatic carton set-up machine is now in production by Machinery Mfg. Co. Model



54 delivers the set-up carton in an upright position on the conveyor ready to receive the product and propels it along a chute of desired length. It handles a wide range of carton sizes at speeds of from 30 to 60 cartons per min.

Circle 33 on Readers' Service Card

## Low Priced Lifter

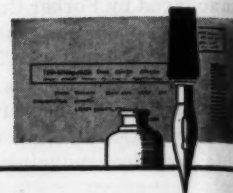
Langley Manufacturing Co. has developed a low price lifting machine, the Powrlift, with a 1000 lb load capacity for elevating, stacking, piling and racking all sorts of material. The electric model is driven by a ½ hp reversing type motor. A battery model has a 6-volt electric hydraulic drive.

Circle 34 on Readers' Services Card



# FREE

# Literature



## Progressive Mechanization

A new visual program aimed at boosting American productivity by offering a modern, step-by-step approach to the problem of industrial mechanization, has been announced by the General Electric Co. The program is described in a 16-page manual.

Circle 51 on Readers' Service Card

## Steel Castings Chart

Standard specifications for more than 70 designated classes of steel castings are incorporated in a comprehensive new summary chart compiled by Steel Founders' Society of America.

Circle 52 on Readers' Service Card

## Storage Manufactures

Time and space saving with Sterling racks is described in a four-page bulletin from Sterling Factory Equipment Co., manufacturers of metal tote boxes, platform trucks, box trucks, stacking boxes and storage racks.

Circle 53 on Readers' Service Card

## Strapping System

The Brainard strapping system is described in a four-page brochure from the Brainard Steel Division of Sharon Steel Corp. The division makes strapping, tools and accessories.

Circle 54 on Readers' Service Card

## Milling, Processing Data

A new book describing conveying, processing and power transmission machinery particularly adapted to the grain milling and processing industries has been published by Link-Belt Co.

Circle 55 on Readers' Service Card

## Strip Handling Equipment

An eight-page booklet released by Fried Steel Equipment Mfg. Corp., manufacturers of strip and materials handling devices, furnishes information on how to cut costs, end delay and put a stop to injuries in materials handling.

Circle 56 on Readers' Service Card

## Aid to Air Shippers

To help manufacturers ship more effectively and economically by air, Hinde & Dauch Paper Co. has printed a revised edition of its data book, "How To Ship By Air In Corrugated Boxes."

Circle 57 on Readers' Service Card

## Industrial Rubber Gloves

A new catalog recommending the correct protective gloves for various jobs in industry has been announced by the Pioneer Rubber Co., manufacturers of liquid-tight all neoprene, neoprene coated and vinyl coated industrial gloves.

Circle 58 on Readers' Service Card

—DA—

## Books

### Financial Series

Two booklets, Numbers 99 and 100, "The Financial Executive's Job" and "Toward Uniform Inventory Pricing—The Revenue Act of 1951," have been published. Papers presented at the Financial Management Conference of 1951, the booklets are distributed by the American Management Association, Inc. \$1.25 each, 43 and 40 pages.

### Transportation Corps

Activities of the Army Transportation Corps in World War II are recorded in "Transportation Corps: Responsibilities, Organization and Operation," first of three volumes on the TC to be prepared by the Office of the Chief of Military History. Write Superintendent of Documents, Government Printing Office, Washington 25, D. C.; illustrated, \$3.25.

### Port of Baltimore

The Baltimore Association of Commerce and the Steamship Trade Association of Baltimore have published the "Port of Baltimore Handbook," presenting a detailed account of the port's facilities, practices, services and charges. The Handbook is designed for distribution to shippers here and abroad. 180 pages, illustrated, \$1.25.

## "Modern Lifting"

A booklet, "Modern Lifting," describing the time saving and cost cutting advantages of using lift equipment is announced by Globe Hoist Co., makers of lifts and elevators.

Circle 59 on Readers' Service Card

## Hinged Steel Conveyor Belt

May-Fran Engineering Co. announces the release of a new four-page illustrated catalog which describes and gives specifications on the company's hinged steel conveyor belt.

Circle 60 on Readers' Service Card

## "Handling Materials Illustrated"

Towmotor Corp. announces the availability of its current issue of "Handling Materials Illustrated," which features articles on tobacco and lumber handling.

Circle 61 on Readers' Service Card

## Pneumatic Conveying Equipment

Turbo Drive, a pneumatic pipe line conveying system for transporting sand and other bulk materials is described in a recent folder released by the H. W. Crane Co.

Circle 62 on Readers' Service Card

## "Tru Kooler"

Information of refrigeration equipment for truck bodies or trailers can be found in the four-page bulletin released by Talbert-Thomas Co.

Circle 63 on Readers' Service Card

## Worksaver Tractor

A new four-page booklet describing the model MT Yale Worksaver heavy duty electric tractor for industrial towing applications has been released by the manufacturer.

Circle 64 on Readers' Service Card

## Continuous Power Units

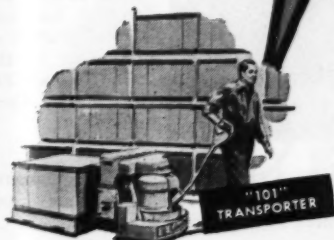
Power units which enable electric industrial trucks to operate continuously are described in Bulletin 99 Rev. from the Ready-Power Co. Gas-electric and diesel-electric trucks are illustrated.

Circle 65 on Readers' Service Card

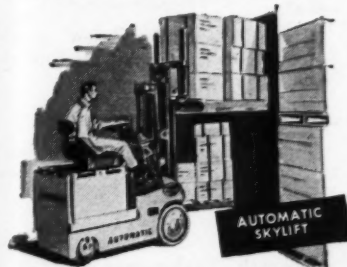
(Please Turn to Page 40)

# Let the Figures Prove How Much More You Save With "Keyed-For-the-Job" Automatic Trucks

There's only one **RIGHT** truck for each material handling job... and Automatic has the experience and know how that saves you money with trucks "Keyed-for-the-Job"



Moves tons of your product at the touch of a button... raise load to moving height in seconds... works all day for as little as pennies.



Lifts, moves and tiers material 132 inches from floor to top of fork. Drives and operates like an automobile—speeds up operation—reduces operator fatigue.

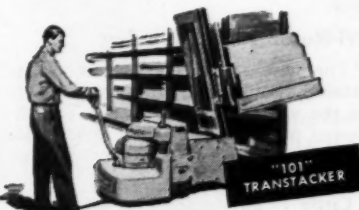
**B**EFORE you buy any material handling truck, be sure it's "keyed-for-the-job" in your plant. A truck which is either too big, too small, or inadequate for efficiently handling your particular product, may not save you enough material handling money to pay its cost within a reasonable time. Or those savings may be delayed longer.

The way to be sure you get money-saving performance that lets you write off its investment quickly, is to take a look at how many more electric trucks Automatic has to offer... how many more ingenious de-

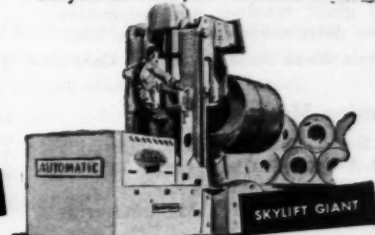
vices it has to fit whatever "tough" handling problem you have.

From the smallest to the largest truck... from the lightest to the heaviest products to be moved, lifted or tiered, expect the *right* truck from Automatic... an electric truck "keyed-for-your-job," and *your job alone!*

That is the secret of really cutting material handling costs. Put Automatic electric trucks to work in your plant, and let the figures prove that Automatic Trucks cost so little to operate, so little to maintain. Mail coupon for facts on Automatic "Keyed-for-the-job" electric trucks.



Ability to maneuver in crowded quarters makes this model ideal for operation in narrow aisles, and in areas where floor or elevator capacities are limited.



Designed for heavy duty handling requirements, the Skylift Giant is available in capacities ranging from 20,000 pounds to 80,000 pounds.

## Automatic®

ELECTRIC TRUCKS

Trade Mark  
Registered

Lighten  
LIFE'S LOADS

Automatic® 115 West 87th Street, Dept. K-2  
Chicago 20, Ill.

Send me facts on Automatic "Keyed-for-the-Job" Electric Trucks.

☐ Have an Automatic representative call and give me a preliminary estimate of material handling savings using Automatics in my plant.

Company Name.....

By..... Title.....

Street Address.....

City..... Zone..... State.....

**WORLD'S LARGEST EXCLUSIVE BUILDER OF ELECTRIC INDUSTRIAL TRUCKS**

JULY, 1952

Circle No. 111 on Readers' Service Card for more information

39

## Free Literature (Continued from Page 38)

### Fork Truck Body

How Canada Dry managed to keep its per bottle cost increase down to one cent since 1939 by using fork trucks and unit loads is illustrated in Case Study No. 292 published by Baker-Raulang Co.

Circle 66 on Readers' Service Card

### Battery Charger

Electric Products Co. has prepared a 4-page brief on its new Type S, single circuit, motor generator battery charging equipment, claiming it to be fully automatic, self-contained, completely accessible and easy to operate.

Circle 67 on Readers' Service Card

### Strip Steel Products

Twelve pages of articles on strip steel products are included in the current issue of Confab, quarterly magazine published by Acme Steel Co.

Circle 68 on Readers' Service Card

### Diesel Equipment

The story of how Saginaw Transfer Co. increased business 63 per cent while keeping truck fuel costs approximately the same is told in a brochure published by GMC Truck and Coach Division.

Circle 69 on Readers' Service Card

### Crane Catalog

American Hoist & Derrick Co. has published a new general catalog listing its complete line of equipment, from giant revolver and locomotive cranes down through wire rope clips.

Circle 70 on Readers' Service Card

### Framing Material

A 6-page color brochure, describing Mult-A-Frame, a new frame of steel for "1000 and one" uses has been published by Ainsworth Manufacturing Corp.

Circle 71 on Readers' Service Card

### Coal Loader

A high capacity Pettibone Mulliken coal loader is described in a new booklet put out by George Haiss Mfg. Co., Inc.

Circle 72 on Readers' Service Card

### Anti-Rust Paint

A new application bulletin containing information on the selection and use of anti-rust paints for all metal surfaces is announced by Paint Corporation of America.

Circle 73 on Readers' Service Card

### Impact Recorder

After three years of laboratory and field tests Impact-O-Graph Corp. has made available a folder giving details on its improved three-way impact recorder, a valuable aid in modern shipping operations.

Circle 74 on Readers' Service Card

### What Is Microwave?

A new brochure entitled "What is Microwave," latest in a series of RCA pamphlets for industry, describes the latest developments and potentialities for radio equipment in point-to-point communication or remote control.

Circle 75 on Readers' Service Card

### Steel Buildings

Brookville Mfg. Co. has issued a new building on Unibilt prefabricated insulated steel buildings.

Circle 76 on Readers' Service Card

### Non-corrosive Valves

A 35-page bulletin describing types, sizes, operation and features of Rockwell-Built Nordstrom Corrosion Resistant Valves has been issued by Rockwell Mfg. Co.

Circle 77 on Readers' Service Card

### Tachometer Information

Technical data sheet No. T4, describing the principle of operation of Metron hand, portable and fixed installation tachometers is available from Metron Instrument Co.

Circle 78 on Readers' Service Card

### Tri-Rotor Pump Catalog

The new 38-page Tri-Rotor pump catalog, containing information on the various models in the Yale & Towne pump line has been announced for release by the company's Stamford division.

Circle 79 on Readers' Service Card

### Icing Equipment Booklet

Modern methods of icing perishable commodities in transit and in storage are described in a new booklet on icing equipment, published by Link-Belt Co.

Circle 80 on Readers' Service Card

### Pipe Dream Comes True

How West Coast industrialists are making and fabricating steel in their own backyard is shown in the latest issue of the Signode Seal, published by the Signode Steel Strapping Co.

Circle 81 on Readers' Service Card

## MEN in the NEWS

(Continued from Page 13)

### Transportation—Air

Douglas Campbell—vice president and general manager of Panagra, elected chairman of Traffic Conference No. 1, International Air Transportation Association.

Herman J. Ruppel—new general auditor at Slick Airways, Burbank, Calif. Kenneth T. MacKenzie—named acting sales and service manager.

### —Highway

D. H. Gummerson—new Buffalo district manager, International Harvester Co. W. G. Schendel—motor truck district sales manager in Baltimore. R. C. Burns—general supervisor of used truck merchandising with headquarters at IH general office, Chicago, Ill.



Christopher Ziegler, Fruehauf Trailer Co. worker, has been named Father of the Year by the National Father's Day Committee.

K. A. Krieger—new sales manager of the Tank-Trailer Division, Fruehauf Trailer Co., Detroit, Mich.

Ralph G. Meredith—new express dock foreman at Pacific Intermountain Express' Chicago terminal.

### —Rail

Harold H. McLean—new general counsel, New York Central Railroad, New York, N. Y.

### —Water

Ted B. Westfall—named assistant to the vice president, Grace Line, New York, N. Y.

### Warehousing

Kenneth Taylor—appointed sales manager, ZCMI Wholesale Distributors, Salt Lake City, Utah. Harold C. Kimball—new merchandise manager.

Paul G. Viall—promoted to vice president, Cleveland Cartage Co., Cleveland, Ohio.

Richard W. Maycock has been appointed manager of ZCMI Wholesale Distributors, Salt Lake City, Utah, a full-line wholesale house.



(Resume Reading on Page 15)



# FOR HALF THE USUAL COST FULL ELECTRIC FORK TRUCK OPERATION

from  
**LEWIS-SHEPARD**



**LEWIS-SHEPARD took a need  
and built this truck around it!**

**For cramped areas:** right angle stacks in 8' aisles.

**For limited floor load capacities:** weighs 2500 to 3000 lbs. W/O battery.

**For rugged duty:** All welded construction, full gear drive.

*And because of Lewis-Shepard's unique  
One Design Line it can be priced lower  
than any other electric fork truck*

Persistent repeat orders from scores of blue ribbon companies are the very best proof that the "J" will give you all these money saving features . . .

**Plus LEWIS-SHEPARD QUALITY.**



The "MASTER" Line

Since  
1915

*Check L-S First  
Get the Facts . . .*

**SALES-SERVICE  
IN ALL  
PRINCIPAL CITIES**

See "Trucks, Industrial" in your Yellow Phone Book  
Midwest Plant — CRAWFORDSVILLE, IND.

**LEWIS-SHEPARD**

225 Walnut St., Watertown 72, Mass.

- ☐ Please send me the "J" Model catalog  
☐ Please have an L-S representative call

Name \_\_\_\_\_

Company \_\_\_\_\_

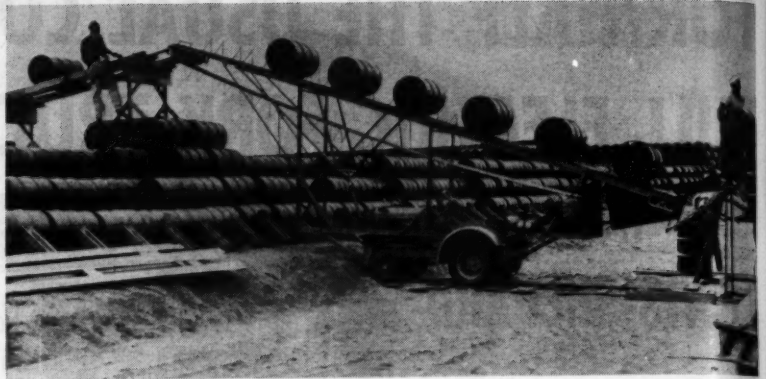
Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

**THE MOST COMPLETE LINE IS THE MASTER® LINE**

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**Portable conveyor line cuts  
man hours, loading time by  
50 percent in drum handling**



Conveyor units for hauling drums is mounted on small tub, adjustable to height

**A**S a result of an Air Force survey, the use of modern materials handling equipment has helped immeasurably in boosting production and efficiency within the huge Air Materials Command.

With an established objective of making 170,000 people more efficient in doing 170,000 separate jobs, AMC devised and conducted a thorough management audit. Following the audit a multi-point improvement program was established, designed at getting more work units per man and machine.

Utilization of materials handling equipment is one of the important phases of the program. Other points include: Complete worker instruction, new tools and machinery where needed, relocation of existing tools and machinery where necessary, centralized control of emergency equipment, a police precinct system, and a number of improvements designed to eliminate red tape.

The first MH improvement involved setting up a better system for handling heavy and awkward

oil drums at a depot in Maywood, Calif. Depot supervisors devised a portable conveyor belt to carry the drums from trucks to the loading platform or to the top of a storage pile. The belt moves in either direction and is easily adjusted to the correct height. It is mounted on a small warehouse tug which moves the conveyor quickly from one operation to the next.

The old method, using cranes, required six men an average of two hours and 15 minutes to load, or unload and stack, 100 drums of oil. The conveyor operation re-

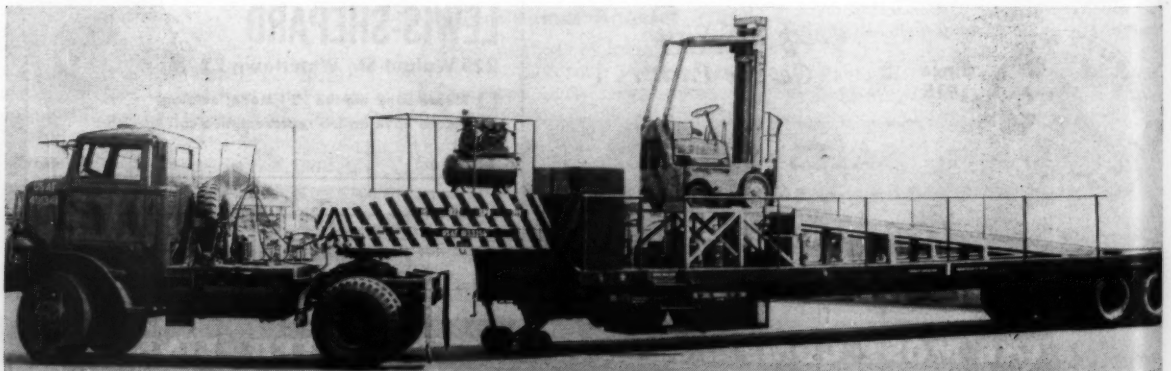
quires three men an average of one hour and 10 minutes to do the same job. As a result, output is practically doubled with half the men, and drums of oil needed to lubricate UN fighter planes along MIG Alley get there faster.

In another instance the work simplification idea has been introduced into maintenance overhaul operations with excellent results. At Kelly Air Force Base, headquarters of the San Antonio Air Material Center, a study in the Electrical Branch showed em-

(Please Turn to Page 47)

## Air Force Survey Favors MH Equipment

**Portable service trailer eliminates long distance drive for low gear equipment**





## "Investigation proves Dodge is best value!"

... says J. K. HALL,

Vice President,

Central Motor Lines, Charlotte, No. Carolina



"When we decided to replace a major number of the units in our fleet, we made an exhaustive study of competitive makes of trucks," says Mr. Hall. "Our investigation proves that, for dollars invested, Dodge is the best value!"

"We based our decision to buy Dodge on several factors. First, we wanted good operating economy. Second, we wanted short turning diameter and easy handling, to save time on pick-up and delivery operations.

"Our new Dodges fill the bill on both counts! Fuel economy has been pronounced. And our drivers can put a Dodge in places they couldn't go with other trucks. What's more, our drivers like the extra comfort and visibility of the Dodge cab."

By carefully comparing various makes of trucks, Mr. Hall discovered what more and more fleet owners

across the nation are discovering—that a truck that fits the job, a Dodge "Job-Rated" truck, will serve you better, save you money, last longer!

For instance, Dodge gives you a power-packed, high-compression engine that keeps fuel costs down! On high-tonnage models, twin carburetion and exhaust system gives you plenty of extra power with extra economy.

And when it comes to maneuverability, such advantages as short turning diameters, and wide front tread make Dodge a natural favorite with men who drive trucks day after day.

So . . . if it's money-saving, easy-rolling, long-lasting truck operation you're after, there's just one man to see. He's your friendly Dodge dealer. You'll find him always ready and willing to give you up-to-the-minute information on better hauling methods.

# DODGE "Job-Rated" TRUCKS

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## ... Focus on Small Shipper

(Continued from Page 22)

no adjustment for additional insurance charges via Express. Where parcel post is possible it will often result in the lowest cost. In many cases it may be of advantage to split shipments in several packages conforming with parcel post weight limitations.

Table 2 compares Railway Express and motor carrier rates and shows in *italic face* maximum weight at which Express is cheaper of the two. The tables include surcharges for pick-up and delivery and other plus costs. In both tables Express charges have been compared with minimum charges per shipment. It will be noted that this charge varies considerably between rail and motor transportation and can often give an advantage to one or another mode of carriage. Minimum charges will frequently vary between individual motor carriers serving the same points.

### Minimum Charges

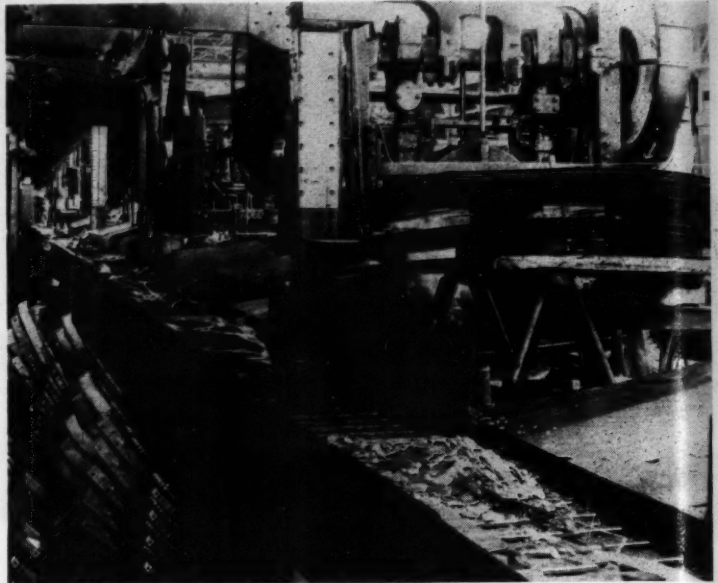
"Minimum charge" must not be confused with "minimum rates." While minimum charges pertain to the minimum income a carrier will accept for hauling a single shipment; minimum rate represents the lowest rate *per hundred lbs* which a carrier will "protect." A shipment from New York to St. Louis routed via a "combination" or "joint" route using two motor carriers will be subject to a minimum rate of \$2.52.

Thus, shippers of articles ordinarily rated lower than \$2.52 will be required to pay that much for each hundred lbs if the shipment to St. Louis has been routed via two lines instead of one. Not unfrequently, motor carriers will protect no rate lower than first class on shipments to particular destinations. It is of importance, particularly for shippers of low-rated material, to be thoroughly familiar with the minimum charges and "class-stops" or minimum rates before choosing a route.

### Freight Forwarders

In recent years a new type of freight service has proven valuable to small shippers. The freight forwarder, taking advantage of customary spreads between carload and LCL rates, consolidates small shipments into a single carload. Forwarders have demonstrated their ability to provide fast, efficient service at rates often lower than rail, and at minimum charges lower than motor carrier.

Of particular value to shippers of lightweight packages are the package rates offered by forwarders. These are sliding scales of rates, applicable to all classes of freight, increasing with weight of shipment. They are available from and to many large



This 236-ft run of hinged steel conveyor belting has eliminated manual scrap removal from a line of nine 250-ton punch presses at Midland Steel Products Co. The abrasive sheet steel

scrap passes down a chute from each machine on to the belting, which feeds the scrap into an alligator shear which cuts it for packing. The belt is a product of May-Fran Engineering, Inc.

cities. Table 3 shows typical package rates from New York to various destinations. Where the applicable class rate is lower than package rate for weight of a given shipment, the former will apply.

While rail rates have always been lower for carload quantities, motor carriers use depressed rates for quantities as low as 900 and 1500 lbs. Tables 4, 5, 6 and 7 are typical and serve as ample evidence of the economies possible through consolidation of small shipments. This may not only produce lower rates, but will avoid minimum charges.

**Rates—Air:** While surface methods of transportation have kept pace with technological advance, they have been unable to provide speed often required by modern industry. Continued growth of air transport is proof of its industrial acceptance.

Air shipping costs are not necessarily prohibitive. Often the use of air service will maintain operation of an assembly line or entire plant. Some firms find air shipping expedient to prevent loss of perishable materials. Others use it to maintain lower inventories, thereby saving storage space and minimizing financial risk. Packaging costs, too, are usually lower by air.

There are three major forms of air transportation—parcel post, express

and freight. It is difficult to generalize as to the comparative costs of these methods since they vary with the weight of shipment, direction, length of haul, kind of goods and location of origin and destination. Even among air freight carriers important differences exist in cost and service.

### Comparison of Charges

Table 8 is a compilation of freight charges via various air carriers, giving rates per lb (col. 3) and per 100 lbs (cols. 4, 5, 6). Minimum charges are shown in column 2, minimum pick-up and delivery costs in column 7, weight breaking points via Air Express in column 10 and the Railway Express rates per 100 lbs in column 11.

A comparison of columns 5, 6 and 11 show that in some instances rates on specific items are lower than Railway Express. Rates in columns 5 and 6 do not include pick-up and delivery costs. Air carriers provide many more specific rates for other commodities, and in almost all instances they publish lower rates for heavy shipments. In column 10 is a situation similar to that illustrated in Tables 1 and 2. Air parcel post rates have not been shown since they are usually higher than those of other carriers where the shipment exceeds 4 or 5 lbs, although the air parcel post charge for one pound is lower than Railway Express.

### Claim Prevention

**Claims, Insurance and FOB Terms:** Modern packaging, materials handling and enlightened sales practices have all helped reduce shipping costs and ease the claim burden of various carriers. Because shippers and carriers have acknowledged a common interest in reducing appalling waste of transit loss and damage, emphasis has shifted from claim correction to claim prevention.

When losses do occur, it is of the best interest of shipper and carrier that claims are properly filed and supported with the necessary documents. Documents required will depend on the kind of damage, carrier's procedure and amount of claim.

Who will bear the burden of insurance depends upon where the liability rests. Generally this is determined by the FOB terms of the sales contract. Where goods have been sold FOB shipper's plant, the consignee will be expected to assume any loss which may occur in transit. Otherwise, the shipper is liable.

This liability may or may not be transferable to the carrier. The law generally provides that common carriers (except by water) are liable for full actual loss except when chargeable to such things as an Act of God or the public enemy, or to shipper's negligence.

### Conclusion

The entire picture over the past several years shows the small shipper being forced to accept higher and higher freight costs, in terms of dollars and cents and competitive relations. Yet, too often, through apathy and ignorance, he has disregarded many opportunities to protect his interests and to effect economies which might offset much of the disadvantage.

Countless proposals to increase rates and minimum charges hold little promise for small lots of freight. Changes in many ratings have followed changes in the entire freight structure, and a charge for all pickups and deliveries will not only expand the spread, but also the unit freight cost to unit production cost. Highway distance taxes, imposed by states on over-the-road trucks, have resulted in still higher rates.

Many industries appear to be realizing substantial savings through efficient traffic methods and utilization of modern packaging and materials handling devices. Part or full time traffic experts have been able to produce savings far in excess of their own cost. Many, in fact, offer certain services simply for a percentage of their actual recoveries or savings. The traffic consultant rarely, if ever, replaces the shipping clerk. He merely provides the shipper with more efficient tools and relieves him of responsibilities not within the sphere or training of shipping clerks. •

(Resume Reading on Page 23)

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54"x72"	37.25 doz.	40.25 doz.
72"x72"	45.50 doz.	49.25 doz.
72"x80"	50.75 doz.	54.75 doz.

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# Handling Import Freight

(Continued from Page 19)

added, such as foreign port of unloading, consignee's initials, or identifying symbol.

**Ultimate Consignee**—Actual receiver of goods in the foreign country.

**Intermediate Consignee**—Consignee's agent at foreign port; who processes documents, makes proper entry to satisfy customs requirements of his country, and handles forwarding of merchandise to the ultimate consignee.

**Value**—Invoice value of the merchandise—as sold to the consignee.

**Carrier**—Rail, water, truck terminal or pier from which the shipment will go forward. This is needed so that the nearest customs agent will clear the movement of the shipment, and will report to the Custom House that a certain shipment actually went forward.

**Truckman**—Name and Custom House license number of the truckman who will cart merchandise from the import pier to the export pier or shipping point.

**TRANSPORTATION & EXPORTATION ENTRY**—The T&E entry would apply to a shipment which is scheduled for shipment through the United States to a foreign country such as Canada

or Mexico; or for a trans-continental shipment to a steamer, such as from New York to a steamer in New Orleans for export to South America.

It is necessary to furnish the customs broker with the information needed for the IE entry, previously mentioned, and the following:

**Border Crossing Point**—The point at which the shipment will actually cross the United States border into the foreign country; such as, Black Rock, N. Y., for a Canadian rail shipment; Laredo, Texas, for Mexico, or the final domestic port for loading to the vessel.

The broker will send a copy of the entry to the customs agent at this port; so that when the shipment arrives, it may be cleared promptly. Of course, this freight, while moving through the United States, will be bonded and under customs jurisdiction.

**WAREHOUSE**—A warehouse entry also may be made. It is the simplest of all bonded entries. It is only necessary to furnish the broker with the name of the warehouse, and the name and Custom House License of the bonded truckman.

This entry is very flexible and is

used in all cases where payment of duty is to be avoided. For instance, if the sales department has no disposition for the merchandise at the time of its arrival, it is better to make a warehouse entry and then pay duty when a duty-paid sale is made; or, if an order is received for export, the goods still will be in-bond and the duty is saved.

This entry is helpful when an export is being processed but the papers have not been completed at the time the import steamer arrives, and the General Order time is up on the steamer and some type of entry must be made to satisfy customs.

When the necessary export information is received then:

**WITHDRAWAL FOR EXPORT** entry is made and the merchandise may be shipped right off the dock without ever entering the warehouse. Of course, if the goods were removed from the dock, and stored in warehouse, then they are shipped from there to the export pier.

*This entry is only made on goods which were previously entered for warehouse.* It is necessary to give the broker the same information as is required for an IE entry.

**IN TRANSIT**—An IT entry is made when the ultimate consignee is in the United States, or her possessions, and it is desirable to clear the merchandise at the actual destination.

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"After an absence of 15 years, I have found the usual beautiful California climate and a great improvement in all the port facilities. I find wonderful cooperation in loading and unloading my vessel."

Captain ANDRE NIVET  
M.S. CHILI • FRENCH LINE  
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"Harbor pilots provided without delay."

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JOHNSON LINE  
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"Vessels can be berthed quickly."

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M.S. LAURITS SWENSON  
FRED OLSEN LINE  
22 years at sea

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For example: If dutiable merchandise is packed so that examination by customs must be made in Appraiser's Stores, it is much better to make entry at final destination and have a case or two go to the Appraiser's Stores there—than to make entry at the original port and have the odd case or two follow along separately a week or so thereafter.

Under this type entry, a shipment could be imported in New York, shipped on an in-transit entry to Chicago, and be cleared with customs there.

**FOREIGN TRADE ZONE**—An FTZ entry is made when the merchandise is imported in bulk—such as bales, barrels, crates, etc.—and the importer wishes to repack into smaller containers or manipulate the goods in any manner.

An entry of this sort permits the importer to do this under custom supervision. When the job is completed, a constructive permit is applied for and any type entry may then be made.

For example: An importer may have a customer in Europe who requires a fine chemical packed in 2-oz bottles, whereas the merchandise as imported is received in bulk. The importer makes a Trade Zone entry, repacks the goods, and then makes an export entry; thus preventing any assessment of duty. •

(Resume Reading on Page 20)

## Air Force Survey . . .

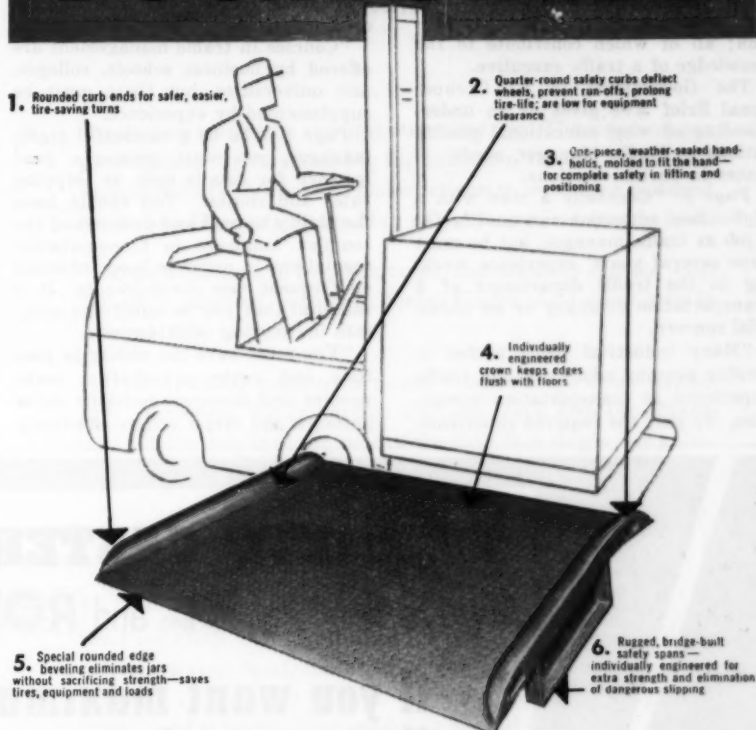
(Continued from Page 42)

ployes lifting a 40 lb generator 58 times from a conveyor to their work benches. Now, with minor system adjustments, work benches are eliminated and the generators are repaired directly on the conveyor line.

The AMC management audit, fashioned after similar plans used effectively in private industry for many years, makes the most of a battery of simple questions. The questions include: Is the maximum use made of present personnel and equipment, is there an overlapping of functions or duplication of responsibilities, are channels of authority clearly defined, is tangible recognition given for outstanding service, are employees given sufficient training.

The questions, the answers and the resulting corrective program have proven, many times over, to be worth the effort expended in placing the system in successful operation. •

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( $\frac{1}{4}$  the weight of steel) with resulting increases in efficiency and safety . . . individually engineered for your requirements . . . long life that you can take for granted: these are the other money-saver features that make Magcoa Dockboards a good investment right from the start and your best investment in the long run.

Write today for literature showing why many leading companies standardize on Magcoa Dockboards for freight car and truck loading, how they benefit . . . and how you can, too. At the same time, ask for new literature showing how Magcoa's magnesium fabricating experience and facilities can help you improve your products through use of light-weight, heavy-duty magnesium. Use the handy coupon.

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# Times Have Changed . . .

(Continued from Page 31)

portation has grown with society and has expanded and become increasingly more intricate as an art and science."

## Service With ICC

Service as a practitioner before the ICC can be a valuable background to anyone engaged in traffic work. One becomes familiar with the origin of the Interstate Commerce Act, Rules of Evidence, Code of Ethics, and leading cases introduced to the Commission; all of which contribute to the knowledge of a traffic executive.

The Government in its Occupational Brief #98 gives us an understanding of what educational qualifications a Traffic Manager needs. It states in various sections:

Page 5: "Generally a man with a high-school education can qualify for a job as traffic manager, but he must have several years' experience working in the traffic department of a transportation company or an industrial concern."

"Many industrial firms prefer to employ persons who have had traffic experience in transportation companies. To gain the required experience,

a man normally begins work in a job such as shipping clerk and works up through positions such as rate clerk, traffic clerk, freight solicitor, and public relations representative.

"He acquires gradually knowledge of freight and passenger rates, transportation routes, and shipping regulations, and eventually if he shows aptitude and is aggressive, he may step into more responsible positions, such as division traffic manager of a transportation company or vice president or manager of an industrial firm.

"Courses in traffic management are offered by business schools, colleges, and universities, but these must be supplemented by experience."

Page 7: "To be a successful traffic manager, you must possess a good memory for details such as shipping rates and routes. You should have the ability to read and understand the complex language in transportation regulations in order to keep informed on frequent new developments. It is essential that you be quick and accurate in working with figures."

"You must have the ability to plan time and route schedules, make prompt and accurate decisions under pressure and direct others effectively

in carrying them out in order to get valuable goods moved on."

To illustrate the useful purpose and essential role traffic management plays in conducting a business, let us consider two specific examples and weigh their values:

1—The celebrated Hoover Commission summarized its endorsement of traffic management in its report to Congress: "All large industrial and commercial concerns consider traffic management as an executive function to be coordinated with other phases of the business. Savings in transportation costs often are the measure of profit of the business concerned."

Although we don't all work for large industrial concerns where Vice-Presidents are in charge of traffic matters and form definite policies, this should serve as an excellent example of the proper recognition that a Traffic Manager may have in a large firm if he only will work in the proper direction.

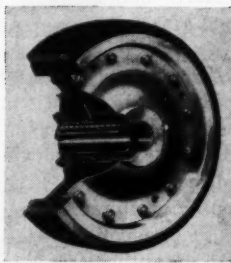
2—A Traffic Manager, cited in a questionnaire released by the Metropolitan Life Insurance Co., did not confine his thoughts in distribution to his own field of dress manufacturing, but went further by conducting his own survey.

He studied and surveyed his situation and organized a system patterned after the national distribution of magazines—and by thinking his

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problem through saved his company \$250,000. Today instead of distributing to 9,000 retail dry good outlets, he is distributing to only 35 break-up points. Less expensive distribution is carried out from the 35 break-up points.

#### All-Around Man

Today's Traffic Manager also must know materials handling. In a study on Business Policy #45, the National Industrial Conference Board, Inc., discussed the subject:

"Although half the traffic departments participating in this study are associated with materials handling, very few of them are primarily responsible for the function. Normally, materials-handling methods are prescribed by a branch of the manufacturing division of an industrial organization. The traffic department is vitally interested in materials handling, however, as the proper equipment is an important factor in the expeditious movement of raw materials and finished products. The department therefore is usually active in materials handling on a consulting basis, and provides information on the capacities of the various means of conveyance, and of the materials-handling capabilities of the company's customers."

The use of materials-handling equipment can speed up operations in the shipping and receiving departments, as well as in warehouses. It encourages efficient use of storage space, and reduces cost of handling.

#### Also Packaging

Another field for development and understanding by the Traffic Manager is that of packaging and packing—the most important cause of loss and damage claims.

The General Traffic Manager of one of the largest steel companies off America is chairman of a "Committee on preparation, packaging, and loading." Members of this committee are production, engineering, and shipping men from each plant. Their purpose is to improve and establish uniform methods of packing and loading. By providing their customers with better service they intend to reduce loss and damage claims and promote good will with safe arrivals of shipments.

Let us all benefit by the demonstrations shown above and improve ourselves as Traffic Managers and our company's position in transportation matters. We must investigate through our own initiative and study the traffic problems which prevail in our own company.

It is not enough to talk; we must act—in an educated manner with a definite purpose. That purpose is to improve ourselves. The best way to do so is through a planned education program.\*

(Resume Reading on Page 31)



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## ... Special Commodities

(Continued from Page 29)

### Rights to Haul Oilfield Commodities

In the Ashworth Transfer Co. Case, the ICC, by Division 5, dealt with the right of motor carriers to transport "oilfield" commodities used in the oil industry. The case concerned "also the right to transport pipe and other commodities which required special equipment and handling, and the same commodities in sizes or weights not requiring special equipment or handling," if the transportation of the latter was incidental to the transportation of the items which did require special handling or equipment.

ICC held that the company was authorized to transport commodities which by reason of their unusual weight, bulk, or length required special equipment or handling without any restrictions upon the future use of the commodities.

### Reels of Cable—"Heavy Hauling"

In the Longshore Transfer Case, the ICC decided that the transportation of wire and cable in heavy reels came within the scope of "heavy hauling." The ICC stated, "While there is no evidence that special equipment is used, it is common knowledge that reels of wire and cable, particularly the latter, require

special equipment or handling for proper transportation thereof."

### Ownership of Equipment

In the E. A. Gallagher Common Carrier Application, the Commission held that a "heavy hauler" is authorized to transport certain commodities when the articles require special handling or special equipment. It held that special equipment was not confined to motor vehicle equipment, but also included equipment owned and operated by shippers and consignees.

### The Question of Territory

In a vigorously fought case, Steel et al.—Control, a common carrier sought to extend its operating authority to include the transportation of articles—requiring special handling or rigging—from Chicago to points in Illinois, Iowa, Kentucky, Missouri, Ohio, Indiana and Wisconsin.

ICC granted the extension although the area covered in the proposed extension was one of the best served by motor carriers in the nation. (For example, some 50 carriers operated between Chicago and Ohio, 75 between Chicago and Wisconsin, and 36 between Chicago and St. Louis.)

The ICC ruled that none of the present carriers "was authorized to transport articles requiring specialized handling or to supply the equipment necessary for the transportation of . . . articles of unusual size, shape or weight . . ."

The decision stated that "special equipment" was that equipment not generally used by transporters of commodities—equipment such as poletrailers, special bulkheads, racks, dollies, cradles and other devices transported around curves. A distinction of equipment was also made as to the length of individual vehicles. Most of the protesting carriers varied in length from 22 to 28 ft; thus it was



Airplane and truck facilities teamed up to expedite this shipment of hatchling eggs, sent by the Church of the Brethren, to help restore Korea's farming.

—DA—

ruled that the length of commodities that could be transported safely would vary from 24 to 30 ft.

Their conclusion, ". . . vehicles which are designed for the transportation of iron and steel articles, 30 ft or more in length, should be classified as special equipment."

These three criteria appeared to determine iron and steel article requiring special handling or equipment:

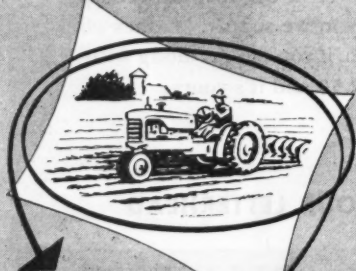
1. Articles 30 ft or more in length,
2. Articles of such size, space or weight which require special motor vehicular equipment for transportation, or,
3. Articles which require special loading or unloading equipment.

### Special Equipment for Safety

Another criterion which must not be overlooked as determining the articles which require special handling are those which require special equipment for safety reasons.

An agreement among a number of motor carriers regarding special equipment to be used in the transportation of iron and steel articles, Aug. 24, 1949, is contained in a publication of the Bureau of Safety of the ICC.

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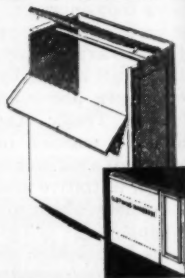
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Orders have been issued by some of the state commissions requiring the use of special equipment such as bulkheads, racks, cradles and other facilities, in the interests of safety.

#### Descriptions in Certificates

Examiner J. J. Williams of the ICC staff has recommended 16 generic headings and lists of commodities for use in describing the commodity scope of certificates issued to common carriers:

(1) Packing house products, including meats, meat products, meat by-products, dairy products, and articles distributed by meat-packing houses; (2) Furniture (new and used) other than household goods and other than articles to be permanently affixed to a building; (3) Store and office fixtures; (4) Kitchen equipment; (5) Iron and steel articles; except alloys containing more than 50 per cent non-ferrous metals; (6) Machinery and machine parts; (7) Building materials used or intended for use in the construction, erection, remodeling or repair of a building or other structure; (8) Electrical appliances, equipment and parts; (9) Road construction machinery and equipment; (10) Glass and glassware; (11) Clothing and wearing apparel and component parts used in the manufacture thereof; (12) Paper and paper articles; (13) Agricultural machinery, implements and parts; (14) Petroleum and petroleum products, in tank trucks; (15) Coal tar products; and (16) Acids and chemicals.

Additional recommendations of Examiner Williams related to oil field commodities; motor vehicles; hotel equipment; heavy and bulky articles; motion picture films, and articles associated with the exhibition of motion pictures; lumber; and special equipment.

#### Further Recommendations

A very important recommendation of the Examiner was that the term "special equipment," when used in future certificates of common carriers of general commodities, should mean vehicles used in over-the-road service and not include special devices or machinery used in the preparation of the freight for movement. The term should include such vehicles as dump trucks, tank trucks, motor vehicle transporters, refrigerator trucks, low boys, drop side trailers, and vehicles equipped with winches and cranes.

It should be noted in conclusion, however, that this recommendation, confining special equipment to the motor vehicle and excluding the equipment used in loading and unloading, departs from the ICC definition of "special equipment" to include loading and unloading facilities used by the ICC in the Gallagher, St. Johnsbury and Steel Transportation Co. cases.

(Resume Reading on Page 29)

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## ... LCL Discrimination

(Continued from Page 33)

### LCL Not Solicited

History has proven that you cannot discriminate in the selection of traffic and expect to be able to keep it. For over 25 years of industrial traffic experience I have never known of any consistent and well organized effort to solicit and handle less than carload traffic. True, now and then, railroad management states that they are interested in LCL traffic, but I will gamble my reputation that an independent survey of the principal industrial traffic managers in the country who have LCL traffic available will reveal that over 90 per cent of the railroads calling on them, never even so much as ask about it, and no one ever solicits it. Why is this so?

Because railroad management fosters such a policy and gives more credit to a solicitor who reports a carload than another solicitor who has earned the equivalent of ten carloads in LCL traffic.

### Brass Tacks

Now why not get down to brass tacks about correcting the difficulties in LCL traffic and in trying to retain \$258 million worth of revenue. Here



Dr. Jess H. Davis (left), President of Stevens Institute of Technology, Hoboken, N. J., shown extending welcome to President Adrian Van Riper of the New Jersey Chapter of the American Material Handling Society, during the Second Annual Materials Handling Forum, at Stevens Tech.

—DA—

in my experience are some suggestions that would help cut the cost of the traffic and still keep it where it belongs on the railroads. It is admitted that the principal reasons for LCL traffic being costly is the fact that it requires more handling than carload traffic and therefore, you should aim to cut down handling costs.

### Major Corrections

Following are some major corrections that can be made in the handling of LCL traffic. They will not only retain present traffic and reduce its cost, but actually add freight to cars those that are now moving.

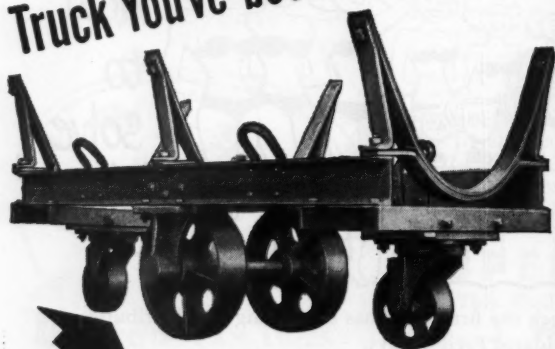
If railroads would organize a committee to analyze freight being made available to a particular receiving station, they could eliminate a considerable amount of minimum loads, reduce the amount of vehicles tied up at their docks, avoid congestion at shippers' docks and in this manner reduce costs.

For example: Take a given territory in which a large number of industries are located who are regularly shipping LCL freight via a particular station. The territory should be analyzed so over a representative period of time a fair knowledge is obtained of the amount of tonnage available, type, destination, etc.

### Carrier Pick-Up

The next step would be to assign the picking up of this freight to a limited number of railroad contract carriers. Instead of having a large number of lines coming in to pick up freight, they would have whatever number of carriers were necessary to

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handle that freight and in such a way that the carriers would have a full load by picking up all the shippers in a particular district and assigning times to that industry so that they would know when they had to have their freight available for pick-up.

This would not present a problem where an industry provided full trailer loads, but it would cut down congestion by having one carrier pick up three or four different industries in order to make up a load. This would obviously cut down the amount of minimum charges paid by the railroad. It would cut down the cost of operating trucks by the contract carrier. It would reduce congestion at the shipper's dock; it would reduce congestion at the railroad station where freight is unloaded. By reducing congestion instead of having say two or three trailers to be unloaded, the carrier would only have to work one trailer and thus he would speed up the handling of freight.

#### Consolidate Cars

The next major step would be to consolidate in so called overhead cars movements between the principal trunk line points. This would have to be done by a centralized independent agency. For example, from Chicago to New York all freight, regardless of routing, would be handled by that line or lines offering the most expeditious shortline service. In this way, all freight for New York would move either via the Pennsylvania or the New York Central. Similarly on freight for Pittsburgh, it would move Pennsylvania. On freight for Baltimore, it would move B & O. Now at first glance, I can see many objections arising on the part of carriers who do not serve both the origin and destination stations in trunk line territory. But, actually, they would lose freight that is being handled at a loss and thus they would not be losing money. On the other hand, the Pennsylvania, the New York Central, the B & O or whatever particular carrier was providing the best service would receive an increased amount of freight and thus be able to operate cars with greater efficiency.

I'm sure that the situation would work out where eventually each carrier would be handling only that freight where from a strictly economic basis, they would be the most logical road over which the traffic should move.

#### Truck Movement

On freight for way stations beyond the terminal cities, it should all be handled via truck and again this should not be on a hit-or-miss basis but it should be done in such a manner that would use the least number of trucks and carriers.

I am certain that a system like this could be worked out and at least given a trial basis to see if it would not only

(Please Turn to Page 57)

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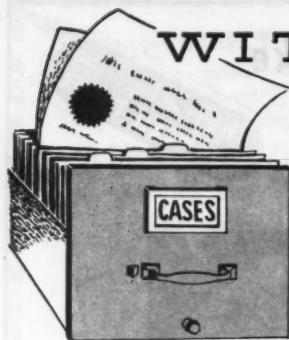
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# WITHIN THE LAW

By Leo T. Parker

Legal Consultant, Distribution Age

## TRANSPORTATION

**Can state, county and city tax transient trucks used in interstate commerce?**

Recently a reader asked for basic and leading higher court cases which upheld the validity of state, county and city license and taxation laws regulating motor trucks used to transport goods in interstate commerce.

First, it is interesting to observe that, generally city ordinances of this nature have been held invalid.

For example, in *Western Auto Transports, Inc. v. City of Cheyenne*, 120 Pac. (2d) 590, it was shown municipal authorities passed an ordinance requiring payment of high license fees by all owners of transport motor trucks which passed through the city. In holding the ordinance void, the court said:

"If the owner or driver of a motor vehicle could be held up and made to pay a license fee or tax by the authorities of every city, town and village he visited or passed through it would be impossible for anyone to use or operate a motor car for the purposes for which it was purchased or intended and ordinarily used."

On the other hand, the higher courts consistently hold that a state legislature has supreme power over its highways and may regulate or entirely prohibit the use thereof by intrastate carriers. See notes, 87 A. L. R. 735, 81 A. L. R. 1415, 56 A. L. R. 1056. Moreover, the state has the power, even as to interstate commerce, to make reasonable rules and regulations. Municipalities are the creatures of the legislature, and have only such powers as have been granted by the state, and the legislature has the primary power to control and regulate them.

Also, see *Dent v. Oregon City*, Oregon, 106 Or. 122, in which an ordinance was passed prohibiting any common carrier or motor trucks on its streets without obtaining a franchise from the city. The court held the ordinance invalid, and in the course of its discussion stated as follows:

"The right to use the public highways of the state by the ordinary and usual means of transportation is

common to all members of the public without distinction, and extends to those engaged in the business of carrying freight for hire by such ordinary and usual means of transportation."

**State laws valid when designed to raise money for maintenance and construction of highways.**

Modern higher courts consistently hold that any and all state motor vehicle tax laws are valid and effective, if such laws are formulated for the purpose of acquiring funds to construct and maintain the state highway system, and the taxation law is neither discriminatory nor unreasonable.

For example, in *Rocky Mountain Lines, Inc., v. Cochran*, 290 N. W. 296, a state law was litigated which required operators of Diesel motor trucks to pay license fees based upon gasoline consumption of similar capacity gasoline consuming vehicles.

During the trial, testimony was introduced by the state showing that for many years the state has been improving its highways by paving and hard-surfacing, as well as discharging the burden of continuous maintenance and repairs for the use of owners of vehicles, including heavy transport trucks. During the trial the testimony showed that the two sources of state revenue for road improvements and repairs are, first: A state law provides for registration of motor vehicles with fees graduated according to carrying capacity and weight. A small part of this fee is used for the administration of the law. The larger part of it is used exclusively to aid in improving and maintaining the highways. The validity of this tax law was upheld by the higher court in *Peterson v. Department of Public Works*, 120 Neb. 517, 234 N. W. 95, both as to interstate and intrastate commerce.

The second source of state tax revenue is the law which provides for the motor vehicle fuel tax, commonly referred to as the "gasoline tax."

The common carrier which used Diesel trucks challenged the validity of this latter law as infringing upon and transgressing federal safeguards and constitutional restrictions, in that it amounts to a tax imposed by a state

upon interstate commerce or the means by which interstate commerce is carried on; that this law makes for an unfair classification and does not operate uniformly upon all vehicle owners; that it cannot be sustained as an equalization tax; and that exactions of taxes made thereunder bear no relation to the extent and manner of the use of the highway to be made by the interstate carrier.

However, the higher court upheld the validity of this law and said:

"It is no longer open to question that the states have constitutional authority to exact reasonable fees for the use of their highways by vehicles moving interstate. . . . If the compensation fixed for the use of the highways is such that the relator does not so manage its business as to make a profit, it cannot ask that the state forego its right to compensation for the use of its highways for business purposes, even if it should result in the discontinuance of relator's business."

Other higher courts have held that a state may compel owners of transport trucks to pay the stipulated per gallon gasoline tax, although the gasoline was purchased in another state before the trucks entered the state. Hence, taxation of interstate vehicles are valid and always enforceable if the money obtained from the taxation is used for road improvement purposes, and such laws are not unreasonable and are fairly non-discriminatory. As requested by readers I have listed above leading higher court cases from which modern and detailed cases can be located, by readers who want to read these cases.

—DA—

## WAREHOUSING

In March issue of *DISTRIBUTION AGE*, and in response to requests of several readers, I promised soon to review leading higher court law suits involving taxation of goods stored in warehouses. First, I shall review the law pertaining to merchandise stopped temporarily in a state during its interstate transportation. This law is well established and relatively simple. If an interstate shipment of merchandise is stopped in a state because of a flood or other act of God, or other emergency and without intent of the consignor or consignee, the merchandise may be stored temporarily in a warehouse and it is not subject to state, county or city taxation. This is so because such a shipment remains in interstate transportation.

**Goods intentionally stopped in transit become subject to state, county and city tax.**

On the other hand, merchandise stopped by either the consignor or consignee *intentionally* during transit as for sorting, packing, cleaning, etc., is automatically removed from interstate transportation and such goods are immediately subject to state, county and city taxation.

(Please Turn to Page 74)

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## ... LCL Discrimination

(Continued from Page 53)

reduce the costs, but attract freight that is not moving via rail.

### Circuitous Routing

One of the outstanding causes for delays in the handling of LCL traffic is the tendency on the part of the employees of the originating carrier on LCL traffic to route that traffic via the longest distance over their own lines.

This policy, while it shows a commendable attitude on the part of the employee towards his employer, is frequently uneconomical in the long run.

For example: A carrier in an effort to obtain the longest haul over its lines, will route LCL traffic via junctions that cause the merchandise to be moved via circuitous routes. This increases the time in transit to such an extent, that the customer at the other end throws up his hands in horror and says let us move it via truck. This practice should be eliminated as quickly as possible.

I am certain that if a careful analysis were made that the revenues obtained from such a practice would not offset the costly expense of handling

via circuitous routes and of course, will never offset the fact that this practice tends to discourage shippers from using LCL traffic in the first place.

### Pressure and Improve

These are only a few of the major considerations in an attempt to preserve and improve the handling of this very important segment of rail transportation. The industrial traffic manager is responsible for the distribution of over one-fourth of all the traffic that originates in America. If the railroads take steps to eliminate the ease at which LCL traffic can be handled under the pick-up and delivery arrangements, the results will be that not only will they lose the 10 per cent of LCL traffic as represented by this, but the tendency will be to revert to other modes of transportation for car-load traffic as well.

I am certain that railroad management has within its ranks the brains and ability to analyze this problem and to work out a solution that will not only retain the traffic, but improve it and make it a money making portion of their line. •

## Plant Expansion

Acme Steel Co. of Canada, construction of a \$980,000 plant at Scarborough, Ontario.

Port of Stockton (Calif.), construction of a bulk ore loading facility, expected to become port property within three years.

Pacific Intermountain Express, establishment of a terminal facility in Topeka, Kan.

Harry F. Haldeman, Inc., Los Angeles, has been appointed sales representative on the West Coast for Dravo Transportainers, Dravo Corp., Pittsburgh, Pa.

GMC Truck Dealership, New York, N. Y., sold to the newly organized Farley-GMC Truck Co., Inc., with James Farley, former postmaster general, as president.

General Electric, multimillion-dollar transformer manufacturing plant at Rome, Ga.

Mike Krasilousky Trucking and Millwright Co., purchase of a building in Valley Stream, L. I., for executive headquarters.

Industrial Conveyor Corp., additional 11,000 sq ft of floor space in Chicago.

Motor Products Corp., Chicago, addition to its Skokie Highway plant.



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A.D.T. Service—Insurance Rate 12 Cents.  
Rental Compartments—Sub-Postoffice.  
Members: A.W.A.—A.C.—W.—J.W.A.



## MIAMI, FLA.

### INTERNATIONAL BONDED WAREHOUSE CORP.

U. S. CUSTOM BONDED

Member of American Warehousemen's Association  
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Negotiable Warehouse Receipts

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FEC RR SIDING—2 CARS

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### Seaboard Warehouse Terminals, Inc.

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- Commercial Storage
- Pool Car Distribution
- Completely Palletized
- Low Insurance Rate
- New Fireproof Building

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"Your St. Petersburg Branch House"



CALDWELL  
BONDED  
WAREHOUSES  
MERCHANDISE—HOUSEHOLD GOODS  
Member American Warehousemen's Assn.

## ST. PETERSBURG, FLA.

Established 1927

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Merchandise Household Goods  
Modern—Sprinklered Buildings—Private Railroad Siding  
Local Hauling, Packing & Pool Car Distribution

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"Your Tampa Branch House—Since 1927"



CALDWELL  
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WAREHOUSES  
MERCHANDISE—HOUSEHOLD GOODS  
Member American Warehousemen's Assn.

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Est. 1927



### LEE TERMINAL

"The Safest Place in Tampa"

Merchandise Storage—Household Goods Storage  
Field Warehousing—Complete Trucking Service  
Pool Car Distribution—We Move, Pack & Ship

P. O. Dr.  
T.W.X. - TP-50

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**AMERICAN BONDED WAREHOUSE** Affiliated with  
**SOUTHEASTERN BONDED WAREHOUSES, Inc.**

*"Better Warehouse Service"*

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Merchandise Warehousing  
Sprinklered

Pool Car Distribution  
A.D.T. Burglar Protection A.W.A.



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**SAVANNAH**

**BONDED WAREHOUSE & TRANSFER CO.**

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General Storage—Pool Car Distribution  
Local Cartage—Custom Bonded—State Bonded  
Field Warehousing—Sprinkler System

Members: A.W.A.—A.C. of W.



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*New State Docks  
Opening in 1952*

More than 2,000,000 square feet in modern, concrete floored, fully protected warehouses for storage or lease. Distribution and all other warehouse services.

**UNITS**—75,000 square feet and up.  
Cotton storage and compression.

**TRANSPORTATION**—All Savannah railroads (ACL, C. of Ga., SAL, S&A, Sou. Ry.), 24 truck lines and good local transportation.

**DISTRIBUTION**—Complete and in-transit distribution service.

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General Manager  
P.O. Box 1039  
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D. Leon Williams Jack W. Tumlin  
Asst. Gen. Mgr. Traffic Mgr.  
1413 Healey Building  
Phone- Alpine 1595

NEW YORK, N.Y.  
J. C. Vandegriff  
Representative  
233 Broadway  
Phone- REctor 2-3772

## Stable Freight Rates . . .

(Continued from Page 25)

turned toward securing greater state-wide standardization of motor carrier vehicles in load carrying weight and in vehicle length. Much can be done to eliminate this costly interstate economic barrier.

### Mechanized Handling

Faster turn-around time of carriers' equipment is afforded with more rapid methods of loading and unloading at the origin and destination ends. Enormous improvements have been made, and are being made, with unitized packing and loading methods.

The possibilities and advantages in these modes of materials handling are evident. Palletization makes it economical to move greater quantities of merchandise with a single effort and at a tremendous reduction in cost. The difference in cost between moving a 3,000 lb. unit load, compared

with a hundred pound package is so small that it is insignificant.

Generally, unit packages make it possible for more condensed and therefore weightier loads, which are more to the carriers' liking than the loose variety. This also contributes much to the more expeditious release of carriers' equipment at the origin and destination allowing fuller use of it for increased "over the road" hauling (revenue hauling).

### Use of Lift Trucks

Industrial mechanical lift trucks of the fork, pallet or clamp types do much in the reducing of the carriers "over the dock" (terminal) costs. They also increase the utility of the equipment by increasing the life span of the units, and permit carriers to use smaller and less expensive terminals for the storage of shipments

with the companion manual handling.

These are some of the factors that can stand a great deal of study, followed by concrete action. They will expand the resulting mutual advantages, and do much in safeguarding and promoting public interest, so vital to common carriers. They tell Mr. John Q. Public that carriers are doing their bit in helping to hold down or retard the continual spiraling of transportation costs and yet still have sufficient rates to prosper.

### Closer Cooperation

Industry can assist in more efficiently using carriers' equipment through efforts of closer cooperation with them.

This can be accomplished in various ways: by more evenly scheduling material to correspond with actual production use; prompt unloading of vehicles on arrival and not using the equipment for storage purposes; cleaning debris from equipment when it is unloaded; making minor needed

(Please Turn to Page 62)



## HONOLULU, HAWAII

WHEN SHIPPING GOODS TO

### HONOLULU

Consign to us and the same will be given our best attention.  
Modern Concrete Warehouses. Collections promptly remitted.  
Established 1900. Correspondence Solicited

**CITY TRANSFER COMPANY, LTD.**

610 FORT ST., HONOLULU CABLE ADDRESS: LOVERINO

## HONOLULU, HAWAII

LET US  
HANDLE  
AND  
STORE  
YOUR



### MERCHANDISE - HOUSEHOLD EFFECTS, Etc.

Large, new, reinforced concrete warehouses—Sprinklered  
Low Insurance — Collections — Distribution Service

### HC&D MOVING AND STORAGE

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Cable address "HONCONTRA"

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CHICAGO

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In CHICAGO, ILL. . . . Call H. H. Becker  
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Information on 80 Member Warehouses

### AMERICAN CHAIN OF WAREHOUSES, INC.

51 WEST JACKSON BLVD. • CHICAGO, ILL. • Tel. HARpison 7-3688

## CHICAGO, ILL.

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### ANCHOR STORAGE CO.

251-315 EAST GRAND AVE.  
CHICAGO 11, ILL.

Warehouse located two  
blocks east of Michigan  
Avenue. Walking distance  
from Loop. Ten car switch  
C&NW Ry. Tunnel service.  
Splendid building. Low  
insurance rate.



Represented by  
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2 Warehouse Locations  
PACKING, CRATING, SHIPPING TO ALL POINTS—  
TO ALL WEST COAST PORTS WEEKLY  
Office Removals A Specialty

ESTABLISHED  
1894

Agents for



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Phone  
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STORAGE—COAST TO COAST—SERVICE  
MERCHANDISE WAREHOUSES IN 75 CITIES

**ASSOCIATED WAREHOUSES, INC.**  
549 WEST RANDOLPH ST. • CHICAGO 6, ILL.

## CHICAGO, ILL.

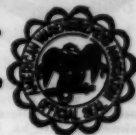
WARD CASTLE, President

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Complete Facilities for Merchandise  
Storage and Distribution

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### HEAVY INDUSTRIAL STORAGE

Switch track and crane facilities for handling  
heavy merchandise, steel, machinery, paper.

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PRospect 4-6616

Chicago 36, ILL.

The  
First National Bank  
Your Town, U.S.A

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... by using  
General Warehouse and Trans-  
portation Company's facilities  
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Our Personal Service puts  
money in the bank for you  
and assures complete satis-  
faction to your customers.

- COMPLETE WAREHOUSING and SHIPPING SERVICE
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Chicago's most progressive warehouse system

# 5

## WAREHOUSES IN CHICAGO

GIVE YOU EFFICIENT AND ECONOMICAL COVERAGE OF THE ENTIRE METROPOLITAN SECTION AND ADJACENT TERRITORY

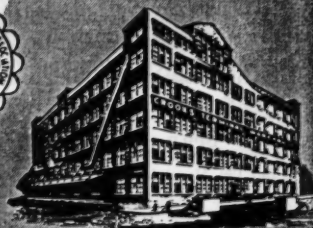
It costs you nothing to investigate Crooks Terminal facilities. Phone, wire or write us regarding your needs. A plan tailored to your requirements will be forthcoming promptly! No obligation.

### ★ COMPLETE BRANCH HOUSE FUNCTIONS—including:

Receiving	C. O. D.
Storing	Sight Drafts
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Reconditioning	Stock Control
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### CHECK THESE ADVANTAGES

Modern Buildings	Storage in Transit
Choice Locations	Railway Express
Low Insurance	Parcel Post
Responsible Management	Cool Rooms
Spacious Switch Tracks	Fumigation
Ample Truck Loading Doors	Space Rentals for Private
Waterborne Cargo Facilities	Storage
Streamlined Handling	Office Space
Equipment	Sample & Display Rooms
Local & Long Distance	Negotiable Warehouse
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Trap Cars Consolidated	Financing
Poor Cars Distributed	



## CROOKS TERMINAL WAREHOUSES, Inc.

Chicago 7-433 W. Harrison St. New York Office 16-271 Madison Ave. Kansas City 7-1104 Union Ave.  
Associated with Overland Terminal Warehouse Co., 1807 E. Olympic Blvd., Los Angeles 21  
Members of the American Warehousemen's Association and Interlake Terminals, Inc.

## Stable Freight Rates . . .

(Continued from Page 60)

repairs to get the equipment rolling again and reporting promptly such repairs to the carrier so they can be on the lookout for these cursory repairs.

When all of this is done, it will increase the utility of such equipment (reducing repair costs and capital costs) and place the carrier in a position to talk about rate reductions through his gain in net revenues.

### Educational Program

So-called "solicitation" expense can be reduced materially if the shipper/receiver abandons the "something for nothing" policy, and the carrier steps out and "sells service" and "buys tonnage" with realism in his process. Carriers should put on an educational program covering the transportation aspects of their entire industry so their representatives could do a much more worthwhile and less expensive a job of selling their service. They could then more efficiently handle the shipper receiver problems.

Loss and damage can be reduced materially when carriers take advantage of the results or findings made by industry in the constant experi-

mental methods tried in packing and shipping. When these categories are reviewed seriously by the shipper/receiver and the carrier alike, advancements can be made which will be mutually beneficial.

Once the program is thrown into high gear and everyone is looking at this picture in the same manner, progress will be sufficient to warrant rate reductions.

### Escalator Clause

With freight rates so closely allied with labor's cost of living wages, unless some formula or workable pattern is devised to retard rising costs by more full usage of carriers' equipment, rates will be made subject to the escalator clause with the possibility of quarterly changes. When this happens transportation management will have allowed a misstep to be taken which should have been foreseen and corrected, or eliminated. Everyone in the industry and common carrier traffic category sees clearly and knows he can rest but can never again go into a coma.

Therefore, we in traffic management must be "on our toes," providing

not only the educational work necessary to the carriers, but also outlining what we hope to accomplish. We must provide the incentive necessary to get the program under way, with the definite aim of accomplishing our objective in the not too distant future.

### Balance Cost Situation

Once we convince the common carriers we desire and aim to help them, and want to keep them on the road in a healthy condition rather than having them continue in this headlong rush of transportation to their self-destruction, but are also vitally interested in balancing the present unreasonable situation on rates and costs, we will have traveled a long way on the road to success.

This can be done territorially, and no doubt must be approached in this manner. However, the results will be much easier and faster if the nation's traffic fraternity leans toward, and works for, this same result.

There is a common denominator in this entire aspect which is "that clear thinking and truthful thought exchange nurtures the good for all principle, and building up public good will," which after all is the real solution to most of our difficulties.

To walk, one must take the first step.

(Resume Reading on Page 26)

and Firms are Arranged Alphabetically

CHICAGO, ILL.

Member A. W. A.

# Griswold & Bateman Warehouse Co.

1525 NEWBERRY AVE.

CHICAGO 8

- Modern Buildings.
- Low contents insurance.
- Reshipping, city deliveries.
- Vacuum fumigation of food stuffs, tobacco, etc.
- Cooling Rooms.
- Direct track connections with C&NW, B&O, Soo Line, PM, CGW, and B&OCT Railroads.
- Over Fifty Years of Warehousing Experience.

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WA bank 5-3567



NEW YORK 19  
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PE 6-6987

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Member: N.F.W.A.  
Allied Van Lines

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OVER 49 YEARS



Consign Your Shipments to  
**JOYCE BROS. Stge. & Van Co.**  
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ROgers Park 4-0033—Teletype CG-2196



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62 Years of Reliable Service



# LINCOLN MAYFLOWER WAREHOUSES

Coast to Coast

4251-59 Drexel Blvd.

Chicago 15, Ill.

Storage—Packing—Shipping

Local and Long Distance Moving



# MIDLAND

In Chicago, Illinois

A complete warehouse organization fully equipped to handle merchandise rapidly and economically with convenient locations for local trade and excellent transportation facilities for national distribution. Chicago Junction In and Outbound Union Freight Station—direct connections with thirty-eight railroads. Receiving Stations for Railroads, Express and Truck Lines on premises.

Inquiries Invited on Storage,  
Office and Rental Requirements

# MIDLAND WAREHOUSES, INC.

1500 S. WESTERN AVE.

CHICAGO 8, ILL. • CANal 6-6811



CHICAGO, ILL.

Complete Warehouse Service  
40 Years Experience

# PACKERS TERMINAL & WAREHOUSE CORP.

4000 Packers Ave.

Chicago 9, Ill.



Cooler Storage  
30,000 sq. ft.

General Merchandise  
Storage & Lease  
300,000 sq. ft.

Private Sidings on Chgo. Jet. Ry. 25 Car Cap.  
Ample Truck Facilities—Central Location

CHICAGO, ILL.

Close to the Loop District, these two co-operated warehouses offer quick, efficient and economical service to stores and distributors in Chicago and the Mid-West.

# PRODUCERS WAREHOUSE CO.

344 No. Canal St. (6) C. & N. W. Ry.

# THOMSON TERMINALS INC.

346 W. Kinzie St. (10) C. M. St. P. & P. R. R.

Prompt Deliveries

Advances Made

CHICAGO, ILL.

# RIVERSIDE WAREHOUSE

of Anchor Storage Co.

219 East North Water St., Chicago 11, Ill.

Telephone Mohawk 4-3325

# GENERAL MERCHANDISE STORAGE

Centrally located one block east of Michigan Ave. Bridge  
Ten Car Private Siding C & N W Ry.  
Represented by Distribution Service, Inc.



Member AMERICAN WAREHOUSEMEN'S ASSOCIATION



Member AMERICAN WAREHOUSEMEN'S ASSOCIATION

# SOO

# TERMINAL WAREHOUSE

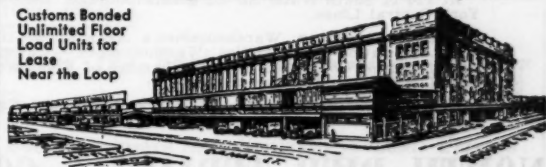
"The Economical Way"

Division of Beatrice Foods Co.

519 W. Roosevelt Road, Chicago 7, Ill.

Year-round candy storage, pool car distribution, negotiable warehouse receipts. Storage in transit. One-half million sq. ft.

Customs Bonded  
Unlimited Floor  
Load Units for  
Lease  
Near the Loop



CHICAGO, ILL.

In Chicago use

# SYKES COMPLETE WAREHOUSE and Distribution Service

Fully sprinklered warehouse building for merchandise storage exclusively. Centrally located—only 12 minutes from the loop. Complete warehouse service with personal supervision.

Pool Car Distribution.

# SYKES TERMINAL WAREHOUSE

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## Facilities of the NORTH PIER TERMINAL CHICAGO



### MAIN DOWNTOWN WAREHOUSE BUILDINGS

For space leasing: office and warehouse.

Distinctive location in Chicago's front yard, at the mouth of the Chicago River. 340 feet office frontage at 444 and 445 Lake Shore Drive. Buildings: 365-539 E. Illinois St. Combine your office with your warehouse and service department. Space leasing. 13 minutes walk to loop. 3 blocks to Michigan Ave. Bus lines to downtown area and passenger stations. Other bus service and surface lines to loop, west and south side, with connections to elevated, subway and other cross-line traffic. Large parking area across the street.

**FACILITIES and SERVICE FEATURES**—1,250,000 sq. ft., mill and brick constructed buildings. Sprinklered, low insurance. Laminated floors, floor load up to 335 lbs. 33 elevators. C. & N. W. siding—capacity 120 cars. Free switching, at night only. Vehicle loading. Doors and platforms, both front and rear; capacity 100 trucks. Direct tunnel connection to all railroads for LCL shipments. Car unloading, tunnel loading, elevator operation and maintenance, watchmen, heat.

### NORTH SIDE WAREHOUSE for general merchandise storage

For general merchandise, package storage and distribution. 2740 Clybourn Ave. 200,000 sq. ft., sprinklered, low insurance, heavy floor load. C. & N. W. and C. M. St. P. & P. sidings, covered platform for 20 trucks.

### SOUTH SIDE WAREHOUSE for transit storage

For in-transit, car load movement in and out. 95th and Cottage Grove. 100,000 sq. ft., fully mechanized, unlimited floor load, I.C. siding inside building.

### DOWNTOWN SHIP DOCK HOUSE for transfer of merchandise

At mouth of the Chicago River, 400 E. South Water St., loading and unloading of lake and foreign ships during navigation period.

### BARGE DOCK for transfer of bulk and general merchandise

At 2905 S. Western Ave. Handling of river barges from and to New Orleans and intermediate points.

### DOWNTOWN WAREHOUSE for general merchandise storage

At 120 E. South Water St. for general storage. On New York Central Lines.

**MEMBER**—American Warehousemen's Association—Illinois Association Merchandise Warehousemen—Chicago Association of Commerce, Illinois Chamber of Commerce, and U. S. Chamber of Commerce.

Eastern Representative: J. Leo Cooke Warehouse Corporation. New York phone: WH. 3-5090.

## NORTH PIER TERMINAL CO.

Executive offices: 444 Lake Shore Drive,  
Chicago 11—Superior 7-5606

W. W. Huggett,  
Pres. and Gen. Mgr.



S. T. Hefner,  
Vice Pres.-Sales

## Washington DA

(Continued from Page 15)

the trend is now upward. Very little space in industrial plants was available.

This is the reason it has not been too hard to obtain fast tax write-off certificates. Through April, action had been taken on 235 applications involving construction of new storage space or expansion of existing facilities. Only 94 had been turned down. The remaining 141, involving \$30,000,000 worth of construction had been approved.

### Observe U. S. Distribution

Some 27 representatives of the Belgian food distribution industry have just completed a 30-day visit to the United States. Although they wanted to study all methods for packaging, handling, and other phases of distributing food, they were especially interested in quick-freeze and locker storage developments. A coast-to-coast tour was made with stops to observe everything from the counter to the consumer, especially self-service stores.

### Pipeline Stockpile

Civil Defense officials are starting to stockpile pipeline "units" for fire-fighting and other emergency service. Each unit consists of about 3,500 feet of pipe in 20-ft sections, complete with tees, couplings, valves, etc. Initial plans call for purchase and storage of 680 units at 32 undisclosed sites. Each unit can handle at least 1,500 gallons of water, oil or other liquid a minute.

### Railroad Freight

The new railroad Uniform Freight Classification system went into effect as of June 1, thereby largely equalizing rail rates east of the Rockies. While this means higher rates for numerous items normally shipped in less than carload lots, the Interstate Commerce Commission reports that it received less than 500 protests involving something like 1500 items out of a possible 10,000 affected.

### Washington Sidelights

Four field offices are being set up under Army's Chief of Transportation for the double purpose of economy and decentralizing control of defense materials distribution. Offices will be in Salt Lake City, Memphis, Pittsburgh, and St. Louis.

... Control officials have relaxed the tin can order, permitting specification changes, wider uses for some types, and permitting all kinds of uses for others.

... Order M-58 has been revoked, lifting all production and distribution controls on baler and binder twine except the 60-day inventory ceiling.

... Exports of goods and services from the United States last year amounted to 20 billion, highest since 1944. Imports amounted to \$15 billion.

... Production and capacity of mining machinery is less than the foreseeable needs. Mine hoist shipping schedules, for example, are to be supervised by NPA.

(Resume Reading on Page 19)

and Firms are Arranged Alphabetically

## BOSTON, MASS.

### STORAGE

Wool, Cotton and General Merchandise  
INDUSTRIAL SPACE FOR LEASE  
IN UNITS TO SUIT TENANTS



**LOCATION:** Near but outside congested part of city. Obviates costly trucking delays. Overland express call.

**STORAGE:** For all kinds of raw materials and manufactured goods in low insurance, modern warehouses.

**RAILROAD CONNECTIONS:** Boston & Maine R. R. sidings connecting all warehouses at Mystic Wharf. New York, New Haven & Hartford sidings at E St.

**DISTRIBUTION:** Complete service for manufacturers distribution whether from storage or pool cars. Trucking to all points in Metropolitan District.

**LEASING:** Space in units of 2,000 to 40,000 ft. on one floor for manufacturing or stock rooms at reasonable rentals on short or long term leases.

**DEEP WATER PIERS:** Excellent piers for cargoes of lumber and merchandise to be landed and stored in connecting warehouses.

### WIGGIN TERMINALS, INC.

Boston 29, Mass. Tel. Charlestown 0880



## SPRINGFIELD, MASS.

### Atlantic States Warehouse and Cold Storage Corporation

385 LIBERTY ST., SPRINGFIELD 1

General Merchandise and Household Goods Storage  
Cold Storage for Butter, Eggs, Poultry, Cheese, Meats  
and Citrus Fruits

B. & A. Sidings and N. Y., N. H. & H. R. R. and  
B. & M. R. R.

Member } A. W. A. Daily Trucking Service to  
M. W. A. suburbs and towns within  
a radius of fifty miles.

## SPRINGFIELD, MASS.



**HARTFORD DESPATCH**  
and WAREHOUSE CO. INC.

214 Birnie Ave., Springfield, Mass.

U. S. Customs Bonded Warehouses—Terminals • Daily Distribution in Conn. and Mass.  
Private Sidings • Pool Distribution • Members: AD, Inc.—ACW—AWA

## SPRINGFIELD, MASS.

Max Lyon, Pres.

### NELSON'S EXPRESS & WAREHOUSE CO., INC.

Merchandise Storage—Pool Car Distribution  
Fleet of Trucks for local delivery.

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Springfield, Mass.

Telephone  
6-8334—6-8335

## SPRINGFIELD, MASS.

### General Cold Storage

### Pioneer Valley Refrigerated Warehouse, Inc.

P. O. Box 155

Brightwood Station

Walls: steel & concrete, automatic fire & burglar alarm—ADT. TBArea 1,000,000 cu. ft. P. Ld 250 lbs. CI Ht 8-10 ft. Elev cap 5,000 lbs. Priv siding 30-car cap. & consign shipments via B&M; sta. Brightwood; free switching, 100% palletized. Temp. range —10° to 40°. Humidity control, 15-25, dust. Specialist in frozen foods. Open yard sign. Dr. office facilities. Loans on stored commodities. Priced to sell.

Member of the A. W. A. (Cold Storage Div.)

## SPRINGFIELD, MASS.



### J. J. SULLIVAN THE MOVER, INC.

#### Fireproof Storage

Offices: 385 LIBERTY ST., SPRINGFIELD 1

HOUSEHOLD GOODS STORAGE, Packing,  
Shipping, Pool Car Distribution of All Kinds  
Fleet of Motor Trucks

## DETROIT, MICH.



### CENTRAL DETROIT WAREHOUSE

Located in the heart of the wholesale and jobbing district, within a half-mile of all freight terminals. Modern buildings, lowest insurance rate in city.

### WAREHOUSE & TERMINALS CORPORATION Wyoming and Brandt Avenues

Modern concrete buildings, fully sprinklered, serving the west side of Detroit and the city of Dearborn. Specializing in heavy and light package merchandise and liquid commodities in bulk. Connected directly with every railroad entering the city.

### Central Detroit Warehouse Co.

Fort and Tenth Streets, Detroit 16, Mich.

## DETROIT, MICH.

### Facing the Busiest Thoroughfare in DETROIT

200,000 square feet, Centrally located. Private siding facilities for 20 cars with free switching from all railroads. Large, enclosed loading dock. Our own fleet of trucks make prompt reshipment and city deliveries.

### JEFFERSON TERMINAL WAREHOUSE

1900 E. Jefferson Ave.

DETROIT 7, MICHIGAN



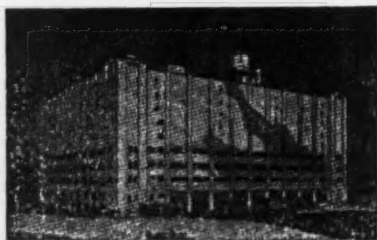
## AMERICAN WAREHOUSEMEN'S ASSOCIATION

### MODERN COLD STORAGE

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## Intermediate Rules . . .

(Continued from Page 27)

Here was a case where there was no dispute as to the points involved being intermediate to the more distant points. The issue was whether the note itself had application.

The Commission ruled that since it was published in a tariff, it was applicable; although it was set out in its Tariff Circular that Rule 77 was only applicable in connection with commodity rates.

### Unreasonable Routes

When Rule 77 was in effect, there were many cases brought to the Commission involving the question as to what points could be considered intermediate to given more distant points via routes through the intermediate points.

In the absence of routing restrictions in the tariff, a point on a route not unduly circuitous is intermediate within the meaning of Rule 77; even though there is a more direct route from origin to destination, over which it would not be intermediate.

(Edgerton Mfg. Co. v. A & R RR et al, 157, ICC 578, decided October, 1929).

In no case where the application of Rule 77 of Tariff Circular 18-A (later succeeded by Tariff Circular 20) has

been considered, has the Commission established any definitely settled rule of what is or is not a reasonable or natural route. Every case has been settled on its own merits.

(Perrine Armstrong Co. v. N. Y. C. & St. L. RR 183, ICC 287, decided March 1932).

The publication of a rate subject to Rule 77 did not warrant a finding of unreasonableness when the point claimed to be intermediate to the lower rated point is intermediate only by an excessively circuitous and unnatural route, over which no shipper could reasonably request transportation.

(Woodward Auto Co. v. C.M. & St.P. & P 129, ICC 615, decided August, 1927; Liberty Cooperage & Lumber Co. v. Wabash Ry. Co. 136, ICC 712, decided January, 1928, and Liberty Cooperage & Lumber Co. v. Erie RR. 140, ICC 367, decided March, 1928. Firestone Tire & Rubber Co. et al, v. A.C. & Y.R.R. et al, 177, ICC 287, decided July, 1931).

### Route Restrictions

Where no restriction is made as to routing, rates apply over all routes of the carriers parties to the tariff naming the rates, whether such routes

are circuitous or not, if there be no back haul.

(Peabody Lumber Co. v. P.R.R. et al 161, ICC 794, decided March, 1930).

Here, however to avoid unreasonable results, the Commission also observed that this statement was qualified, as to rates published under Rule 77, by three prior cases.

(American Hide & Leather v. B. & M.R.R. 152, ICC 313, decided February, 1929; Criesel Bros. v. C.G.W.Ry. 140, ICC 525, decided March, 1928, and Exall & Co. v. C.B. & Q.R.R. 153, ICC 15, decided March, 1929).

### Other Cases

Some other cases where the Commission denied the application of Rule 77 on the same grounds were: Woodward Auto Co. v. C.M. & St. P. & P. RR 129, ICC 613, decided Aug., 1927; Liberty Cooperage & Lumber Co. v. Wabash Ry. Co. 136, LCC 711, decided Jan., 1928, and Liberty Cooperage & Lumber Co. v. Erie RR Co. 140, ICC 307, decided March, 1928.

The background now has been laid for an understanding of the Commission's decision under Rule 77 which has a distinct bearing on the present application of Rule 27, and the next article will deal with more recent decisions of the ICC on this subject. •

(Resume Reading on Page 28)

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## Within the Law (Continued from Page 54)

Also, according to a leading higher court decision, once merchandise is deposited in a warehouse and mingled with goods in such warehouse without prior interstate commerce arrangements, the interstate journey ends.

For illustration, in *Domen v. Pan American*, 147 Fed. (2d) 994, it was shown that a New York company maintained a branch in Puerto Rico. Goods were sold to consumers in Puerto Rico through salesmen. The branch manager sent the salesmen's orders to the company's main office in New York. Merchandise shipped from New York to the branch office in Puerto Rico was stored and mingled with other goods in the warehouse. Later this stored merchandise was withdrawn from storage and delivered to customers who placed orders with the salesmen.

The higher court held that neither the salesmen nor the branch office was transacting interstate business. In

other words, this court held that the terminal point of the interstate journey of the goods was the warehouse in Puerto Rico. All further storage sales, and shipments were strictly intrastate transactions, whereby the stored goods were taxable by Puerto Rico. The same law is effective with respect to goods stored under similar circumstances in any warehouse in any state.

### Are state laws valid which exempt stored goods from state, city and county taxation?

Modern higher courts consistently hold that a state law is valid which entirely exempts stored goods from state, county and city taxation.

Hence, a warehouseman can avoid paying taxes on merchandise stored in a warehouse if (1) the merchandise is awaiting continued shipment in interstate commerce, or (2) a state

law directly or indirectly exempts the merchandise from taxation.

For example, in *Northern Supply Co. v. City of Milwaukee*, 39 N. W. (2d) 379, it was shown a state statute provides that merchandise shipped into the state and placed in storage in the original package shall be considered as remaining in interstate transit and not subject to taxation. The higher court held the law valid.

For comparison see *Dearborn Chemical Co. v. Taxation and Finance*, 60 Atl. (2d) 639. Here the testimony showed that an Illinois corporation maintains offices in New York. It maintains no office in the State of New Jersey. The corporation leased space in a warehouse in New Jersey in which it stored chemical products in drums, barrels and carboys. The corporation had its own employees in the warehouse to make shipments, on orders received from the New York office.

In view of a New Jersey state law which exempts from taxation personal property in storage in a public (Please Turn to Page 82)

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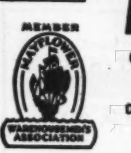
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 . . . see Page 24

**Within the Law** (Continued from Page 74)

warehouse, the higher court held that the state could not compel the corporation to pay state tax on chemicals stored in the warehouse, although the corporation's own employees made shipment from the storage warehouse.

And, another court held that a manufacturer or distributor, can avoid paying taxes on goods stored in a warehouse if the former's main office is outside the county in which the warehouse is located, and the local county laws limit the suing powers of tax officials. In this case, *City of Detroit v. Girard Packing Co.*, 56 Atl. (2d) 263, the higher court held that the city treasurer of Detroit could not sue a packing company in Pennsylvania to recover tax on its merchandise stored in a warehouse in Detroit, because the charter of the City of Detroit limited the authority of the city treasurer to filing suits for collection of taxes solely against persons and firms in the county in which Detroit is located.

"... no state, county or city shall tax merchandise imported and left in original package."

It is well established law that a United States statute always supercedes state, county and city tax laws. Therefore, irrespective of local laws the United States statutes are valid in all states and which provide that no state, county or city shall tax goods or merchandise imported and left in the "original package."

For example, the Supreme Court of the United States in *Anglo-Chilean Nitrate Sales Corp. v. Alabama*, 288 U. S. 218, held that a shipment of 100 pound bags of nitrate which were kept intact until delivered to purchasers, could not be taxed while in storage irrespective of the fact that the nitrate was kept in storage for a long period of time.

Notwithstanding decisions rendered by the Supreme court, with respect to merchandise in original packages not

being taxable, the instant an "original package" is broken its complete contents are subject to taxation by the state, county or city.

In the leading case of *E. J. Stanton & Sons v. Los Angeles County*, 177 Pac. (2d) 804, it was shown a company imported merchandise in original packages. However, the testimony showed that after a shipment was received the company made sales in smaller original packages taken from the original large packages.

The higher court held that since the merchandise was not allowed to remain in the original packages, the state, county or city could tax.

And again, see *May and Co. v. New Orleans*, 178 U. S. 496. Here a company stored in a warehouse, original packages of imported towels. However, the original large packages were broken while in storage to obtain smaller repacked packages.

The Supreme Court of the United States held that the "original packages" were not subject to state taxation, but that the various smaller repacked packages were taxable, and said:

(Please Turn to Page 90)

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**. . . see Page 30**

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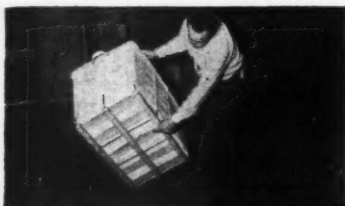
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AE Products are: Taylor and Perfect Spread Stokers, Marine Deck Auxiliaries, Hydramite and Hols-Shaw Fluid Power, Lo-Hed Hoists, Lo-Hed Car Pullers.



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## Within the Law

(Continued from Page 82)

"The 'original package' was the box or case in which the goods imported were shipped, and when the box or case was opened... the box lost its distinctive character as an import and became property subject to taxation by the state as other like property situated within its limits."

### Can state tax firm for "doing business," i.e., storing goods for in-state distribution?

The laws of many states tax corporations for the privilege of "doing business" in the state. In Independent Warehouse, 67 S. Ct. 1062, the Supreme Court of the United States held that neither a manufacturer, seller nor distributor can avoid paying state taxes on the "business" of storing goods shipped from outside the state for distribution in the state.

For comparison, see General Corporation v. Stokes, 181 S. W. (2d) 146. Here it was shown that a manufacturer located in Tennessee purchased 97 percent of its raw materials in Massachusetts.

A Tennessee state taxing official required the corporation to pay an excise tax on all of the raw materials used within the State of Tennessee, irrespective of the location of the seller or state from which the goods were shipped.

The manufacturer filed a suit and asked the court to revoke the state taxing official's decision. However, the higher court approved the verdict, saying that the proper method of allocation under this state law is to calculate the portion of net income reasonably attributable to the manufacturer's business done in the State of Tennessee.

For further comparison, see Continental Car-Na-Var Corp. v. Riley, 157 Pac. (2d) 724. In this case it was shown that an Indiana corporation does an interstate business in various states. It employs salesmen in the State of Washington to solicit business and sell its merchandise to purchasers within this state. However, at no time is a salesman authorized to make valid contracts with the purchasers. In other words, all orders obtained by a salesman must be forwarded to the company at its home office in Indiana, by him, for approval and acceptance. The salesmen are remunerated for services by a commission on the sales.

The Washington state authorities sued the corporation to recover contributions on the plea that it was doing business in this state. The counsel for the corporation argued that it was not liable because it transacted purely "interstate" business. However, the higher court held the corporation liable and said that where there is a systematic and regular solicitation of orders by a salesman of a corporation, resulting in a continuous shipment of goods into the state, the corporation can be said to be "doing business" in that state.